Construction Education and Training Authority

Developing Skills. Serving Society

ANNUAL REPORT
2024|25

A ROAD TO RENEWAL

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CETA
Construction Education and Training Authority

Developing Skills. Serving Society

CONTENTS

2024/25 ACHIEVEMENTS

95%

Annual Performance Plan target set by the Board

98%

SLA targets achieved as given by the Department of Higher Education and Training (DHET).

2024/25 ACHIEVEMENTS (continued)

2000

Learners were funded, who were certified as Artisans this year.

4419

Learners were funded, entering artisan programmes

43

Administrative interns supported through flagship programme

A GENERAL INFORMATION

PUBLIC ENTITY'S GENERAL INFORMATION

GENERAL INFORMATION

Registered name of the public entity:
Construction Education and Training Authority

ISBN number ISBN	**978-1-77997-863-9**
RP number	**RP166/2025**
Registration number	**05/CETA1/04/20**
Registered office address	**52-54 on 14th Road Noordwyk Midrand 1685**
Postal address	**P O Box 1955 Halfway House Midrand 1685**
Website address	**www.ceta.org.za**

COMPANY SECRETARY

Board Secretary Support	**Mr Dawood Dada**
Telephone numbers	**+27 11 265 5900 +27 81 447 5810**
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EXTERNAL AUDITOR'S INFORMATION

Auditor	**Auditor-General South Africa**
Address	**4 Daventry Street Lynnwood Bridge Office Park Lynnwood Manor Pretoria 0081**

BANKER'S INFORMATION

Bank	**Standard Bank**
Address	**5 Simmonds Street Marshalltown Johannesburg 2001**
Telephone number	**+27 12 426 8000**
Bank	**Reserve Bank of South Africa 370 Helen Joseph Street Pretoria 0002**

LIST OF ABBREVIATIONS/ACRONYMS

AA – Accounting Authority
AFS – Annual Financial Statements
AGSA – Auditor-General of South Africa
AR – Annual Report
APP – Annual Performance Plan
APR – Annual Performance Report
AQP – Assessment Quality Partner
ARC – Audit and Risk Committee
ATR – Annual Training Report
CB – Core Business
CBO – Community-Based Organisation
CEO – Chief Executive Officer
CESA – Civil Engineering South Africa
CET – Community Education Training Colleges
CETA – Construction Education and Training Authority
CFO – Chief Financial Officer
CIDB – Construction Industry Development Board
CSP – Client Services and Projects
CPD – Corporation for Public Deposits
DEAF–SA – Deaf Federation of South Africa
DG – Discretionary Grant
DHET – Department of Higher Education and Training
DHS – Department of Human Settlements
DoEL – Department of Employment and Labour
DPSA – Disabled People South Africa
DQP – Development Quality Partner
DPSA – Disabled People South Africa
ETQA – Education and Training Quality Assurance
FETC – Further Education and Training Certificate
GCIS – Government Communication Information and System
GRAP –Generally Recognised Accounting Practice
HESI – Higher Education, Science and Innovation
HET – Higher Education and Training
ICT – Information Communication Technology
JPMT – Joint Project Management Team
KPI – Key Performance Indicator
LPQD – Learning Pathways and Quality Development
MG – Mandatory Grant
MIS – Management Information System
MoU – Memorandum of Understanding
MTSF – Medium-Term Strategic Framework
NAMB – National Artisan Moderating Body
NC – National Certificate
NCV – National Certificate Vocational
NGO – Non-Governmental Organisation
NPO – Non-Profit Organisation
NQF – National Qualifications Framework
NSDP – National Skills Development Plan
NSDS – National Skills Development Strategy
NSF – National Skills Fund
NSFAS – National Student Financial Aid Scheme
NVC – New Venture Creation
OFO – Organising Framework for Occupations
PAYE – Pay-As-You-Earn
PFMA – Public Finance Management Act
PSET – Post-School Education and Training
QAP – Quality Assurance Partner
QCTO – Quality Council for Trades and Occupations
QMR – Quarterly Monitoring Report
QPR – Quarterly Performance Report
RPL – Recognition of Prior Learning
SANMVA – South African National Military Veterans' Association
SCM – Supply Chain Management
SANRAL – South African National Roads Agency State-Owned Company (SOC) Limited
SARS – South African Revenue Services
SAWIC – South African Women in Construction
SDA – Skills Development Act
SDC – Skills Development Centers
SDF – Skills Development Facilitator
SDLA – Skills Development Levies Act
SETA – Sector Education and Training Authority
SLA – Service Level Agreement
SMME – Small, Medium and Micro Enterprises
SSP – Sector Skills Plan
SP – Strategic Plan
TVET – Technical and Vocational Educational and Training
UIF – Unemployment Insurance Fund
WSP – Workplace Skills Plan

SUBMISSION OF THE 2024/25 ANNUAL REPORT

TO THE HONOURABLE MINISTER OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING (DHET).

Mr Kgwaridi Manamela
Minister of Higher Education and Training

In accordance with the Public Finance Management Act, 1999 (Act No. 01 of 1999), as amended, I am honoured to submit to the Honourable Minister of Higher Education and Training, the Annual Report of the Construction Education and Training Authority (CETA) for the period 01 April 2024 to 31 March 2025.

This report provides an account of the financial and non-financial performance of this statutory body established to promote skills development within the construction sector.

ADMINISTRATORS OVERVIEW

Mr Oupa Nkoane
CETA Administrator

Excited About Turning Ideas Into Positive Outcomes

"A road to Renewal"

I was honoured to assume the role of Administrator in August 2025. My aim as is to build upon the progress being made to diversify our capabilities and offerings in the skills development sector, thereby expanding opportunities and value for our learners, our stakeholders and staff.

Our value proposition remains to provide skills development services by implementing the objectives of the National Skills Development Plan 2030, increase the number of people that obtain critical or scarce skills needed, to build the capacity of the construction sector to be economically sustainable and globally competitive.

ADMINISTRATORS OVERVIEW (continued)

Thank The CETA

I wish to thank the CETA staff for helping the organisation to achieve 97% of the planned targets, and we are looking forward to improving this to 100% achievement of planned targets in the new financial year, maintaining good audit outcomes in reporting and performance management.

Year on year, the CETA strives for fair and efficient collection methods to achieve consistent growth in in total revenue. However, total revenue was below budget during the 2024/25 financial year.

I value the opportunity to continue to connect with many of our stakeholders, visiting CETA projects and offices around the country. I continue to be inspired by our skills development work providing solutions and outcomes which are having a positive impact in the workplace and contribution to economic growth.

We at CETA understand that employees and employers are being asked to do more, faster and with less, whether it be managing skills shortages, tighter budgets or supply chain limitations, all while navigating geopolitical conditions.

Empowering Our People

Amidst challenges, our transformational journey would not have been possible without our experienced and highly engaged staff. To provide the best talent to deliver for our stakeholders, we must be the best place our people want to work and build a career.

Our commitment is to support our staff to being their best self and to give them opportunity to continually learn and grow.

We are committed to our employees, their well-being and development. We value them as integral to our success, and our aim is to attract, develop and retain only the top talent.

At CETA we need to treat each employee as unique and valued their distinct qualities and their exceptional contributions that make our organisation what it is.

> **"I wish to thank the CETA staff for helping t he organisation to achieve 97% of the planned targets"**

We believe in our people and therefore make purposeful efforts to improve their value, enhance their leadership competence and holistically meet their diverse needs.

We align our strategies and programmes with the National Development Plan (NDP) 2030 and the National Skills Development Plan (NSDP) 2030 to address skills gaps in the construction sector.

Our vision **"To be a pillar for skills development and nation building,"** covers empowerment and quality, and we believe that through alignment to our values we are making every effort to create a high performance and nurturing culture.

Our planned leadership development programmes and other learning opportunities also will empower our people to be their best for our stakeholders.

I would like to thank all CETA staff for their passion and commitment to support our stakeholders and delivering the best skills development solutions to drive a positive impact in the sector.

Weaknesses Across Key Functions

Despite the unfavourable reports about our organisation and qualified audit opinion by the Auditor General of South Africa (AGSA), we are exploring opportunities to enhance our organisation's value by improving CETA efficiency.

We are not surprised by the AGSA opinion. Our Internal Audit revealed several control weaknesses across key functions, including in Supply Chain and Contract Management, and misaligned and outdated registers, unsigned contracts, and non-compliance with procurement protocols.

ADMINISTRATORS OVERVIEW (continued)

Forensic Reports

For example, the key findings of the Duja Report discussed at the Portfolio Committee on Higher Education earlier in 2025 said there were failures and a collapse of governance systems at CETA. Amongst others, the committee heard serious allegations against the CETA administration, including claims of irregularities, unfair labour practices, governance failures, and corruption related to accreditation and certification processes.

CETA told the committee that problems were exacerbated by Executive Committee Members who usurped the powers of the Board and made decisions without proper delegations. The committee said it was concerning that the Department of Higher Education has delayed the release of the Duja Report and that those accountable for the maladministration at CETA have left the entity without being prosecuted for their actions.

Also, a 2019 report by Gobodo's Forensic and Research Accounting commissioned by the Ministry of Higher Education and Training highlighted the damages of staff who raised irregular bidding procedures and concerns. The report recommended disciplinary action against officials and raised serious red flags, but the findings were not made public.

That is why there is a need to prioritise the finalisation and implementation of the Information Communication Technology (ICT) Governance Framework and Strategy, and to ensure that adequate capacity and resources are allocated to strengthen ICT governance, improve service delivery, and align CETA with evolving digital public sector standards.

Probing Corruption Without Fear Or Favour

As Administrator, I have found a number of allegations of corruption at the CETA against officials at all levels.

These allegations have been widely reported in the media for more than a year. They include alleged interference in procurement processes. These allegations are some of the reasons the Honourable Minister of Higher Education and Training, Mr Manamela placed the CETA under administration.

I intend to probe all these allegations without fear or favour in the coming months, and will keep our valued stakeholders updated of progress.

We will continue to strengthen our risk management practices by enhancing the integration of risk into planning, performance and decision-making processes

All in all, we have complied with most of the key and relevant laws and regulations as they relate to our mandate of skills development in the construction and built environment sector.

My appreciation goes to the Department of Higher Education and Training for their unremitting oversight and guidance, our management teams and staff who are working towards our goal of reskilling employees and other stakeholders who are also working to achieve this common purpose.

ADMINISTRATORS OVERVIEW (continued)

Future With A Relentless Appetite

Since I assumed my role as an Administrator in August, I have undertaken the following:

Strategy

- Drafted a 90-day turnaround plan with the following priority areas:
- Governance oversight;
- Audit and finance;
- Discretionary grants management and monitoring and
- People management matters;
- Strategy and planning;
- Legal matters;
- ICT matters and
- Stakeholder relationship management.
- Currently reviewing Sector Skills Plan to be cascaded to Strategic Plan, Annual Performance Plan, and Service Level Agreement;
- Reviewing CETA Delegations of Authority so that it can be centralised;
- Developed Terms of Reference for Administrator advisory team
- Procured a resolution book;
- Instituted weekly EXCO meetings and
- Institutionalised compliance calendar.

Audit Matters

- Finalised AGSA audit for FY 2024/25 as stated earlier.
- Started monthly meetings with AGSA to be attended by Business Unit Leader and Deputy Business Unit Leader, Senior Manager Audit;
- Reviewed applications for the new CETA Audit and Risk Committee;
- Met with Internal Audit to review the audit plan 2025- 2027 and
- I am drafting Terms of Reference for Operation Clean Audit Committee.

HR Matters

- I met with the Organisational Design service provider to review the project;
- Cancelled implementation of new structure and reverted to old structure;
- Met with unions and will resuscitate the labour/management bi-lateral forum;
- Brought back Information Communication Technology staff that were suspended with verbal notices and have been sitting at home for five months without charges;
- Implemented Commission for Conciliation, Mediation and Arbitration award to reinstate Senior Manager Human Resources who was unfairly dismissed;
- Currently reviewing all employee relations matters;
- Seconded two internal resources to manage the office administration for a period of three months and
- Instructed the appointment of an employee wellness service provider.

Facilities Management

- Instructed the refurbishment project which started in 2022 to be completed.

Finance Management

- Facilitating approval of a revised budget;
- Instructed asset disposal process to commence;
- Instructed digitisation of records and
- Reviewed Medium Term Expenditure Framework budget.

Stakeholder Relationship Management

- Planning Annual General Meeting for November 2025 and
- Meeting key stakeholders from 01 October 2025.

ICT Matters

- Initiated audit of all ICT systems;
- Initiated a digitalisation process and
- Instructed review of Learner Management System bidding process vs adoption of MICT Learner Management System.

As an administrator, I am excited about this next chapter in our ability to turn ideas into meaningful, positive outcomes that bring benefits to reskilled workers.

We face the future with a relentless appetite for re-skilling workers and students while collaborating with the government to find solutions to our social challenges.

Mr Oupa Nkoane
CETA Administrator

CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr Malusi Shezi
Chief Executive Officer

Introduction

It is an honour for me to present the 2024/25 CETA Annual Report, my fourth, as CEO of this incredible institution.

This report is the last covering the financial years for the strategic term that commenced in 2020 ending on 31 March 2025 and also saw the Sector Education and Training Authorities (SETAs) transition from the National Skills Development Plan (NSDP) replaces the National Skills Development Strategy (NSDS) 2030.

At time of concluding this report, the SETAs were already operating under the new strategic term from 01 April 2025 to end on 31 March 2030 which incorporates the Medium-Terms Development Plan targets as set and agreed to by the seventh Administration of the Republic of South Africa. The year 2030 will mark end or expiry of the current SETA licenses.

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

The SETAs are key drivers of economic growth, social self-realisation enablement, and nation building through their skills offerings.

The CETA management team and staff continued to improve operational and financial stability, and stakeholder relations. This has resulted in a historic achievement of 97% improved performance results against the 2024/25 Annual Performance Plan.

Reflecting On The 2024/25 Period

The CETA improved its capacity during the period under review, with most critical and senior management posts being filled, including appointment of professionally registered staff in line with the call by the President of the Republic of South Africa for the professionalisation of the state.

The CETA received positive and negative media coverage, in some cases portraying our organisation in a negative light. We remained steadfast in upholding good governance and clean administration, conducting ourselves with absolute integrity and holding ourselves to higher ethical standards.

I wish to assure our stakeholders that the CETA has robust processes and systems to prevent, detect and address any alleged and/or materialised irregularities, including zero-tolerance towards corruption and malfeasance.

We reported monthly and quarterly on our organisation's Ethical Compliance to the EXCO, Accounting Authority (AA) and Committees and ensure both annual and regular declarations of interests were recorded and tracked accordingly.

Strategic Partenrships And Stakeholder Engagements During The 2024/25 Financial Year

The stakeholder engagements facilitated strategic conversations from CETA employers, institutions, training providers, and Government institutions focused on skills development and capacity building.

These discussions were intended to have meeting of minds on innovative solutions to skills challenges, share best practices and showcased the impact of various programmes being implemented by our organisation.

I undertook various follow up engagements across the country in taking forward commitments made by the board to stakeholders during roadshows, including new partnerships entered during the year.

We allocated Discretionary Grants of more than R699 million for skills development and learning programmes to change the lives of the youth, particularly the unemployed ones.

We believe that collaboration with industry players lead to synergies in achieving desired impacts and bring innovative in taking the sector to the next levels of performance. We have experienced positive returns for our work from the collaborations entered into as reflected below. The CETA entered partnerships with key industry players through signing Memoranda of Active Partnerships (MOAP) with the following entities:

- Consulting Engineers of Southern Africa (CESA);
- Infrastructure South Africa (ISA);
- Master Builders South African (MBSA) for the 2024 Annual Congress;
- New partnerships with various TVET Colleges, including Letaba TVET, Ikhala TVET, Ehlanzeni TVET, Northlink TVET and Vhembe TVET;
- South African National Roads Agency Limited (SANRAL);
- Northern Cape Department of Economic Development and Tourism (for SME Capacitation and Empowerment) and
- Independent Development Trust (IDT).

The CETA also supported the work and the initiatives of the following organisations through sponsorships:

- Inaugural Built Environment Indaba hosted by the BBCBE in April 2024;
- Participated in 2024 and 2025 SIDSSA convened by ISA;
- Partnered with Master Builders South Africa for its 2024 Annual Congress;
- Co-hosted the second the Built Environment Recognition Awards (BERA) with the CBE on 21 November 2024;
- Supported the Built Environment Climate Change Indaba hosted by the CBE and Mandeni Local Municipality on 07-08 November 2024;
- National Presidential MSME and Cooperatives Awards hosted by the Department of Small Business Development on 14 November 2024;

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

- National Youth Awards hosted by the NYDA in November 2024;
- Inaugural Regional Skills Conference – Limpopo held on 27-28 November 2024 and
- Engaged the Hong Kong Construction Industry Council in November 2024, to forge partnership for adoption of technologies and innovation for the sector learning programmes.

We strengthened capacity on Strategic Partnerships and Special Projects unit to leverage and drive innovations and impact to propel many people and widen access to critical and scarce skills and contributing to the construction sector's economic sustainability and its global competitiveness. The CETA partnerships framework was refined and strengthened. These then shaped our 2024/25 Annual General Meeting theme; **"Partnerships for Growth: Collaborative Approach to Construction Sector Development"**.

General Financial Review And Spending Trends

The CETA business operations are funded by skills levies from construction and built environment businesses. In return, it disburses these levies to train, skill, and provide experiential learning to suitable candidates. This is done to address the needs of the sector through both Mandatory and Discretionary Grants processes.

The total expenditure for the year under review was R1 037 million, a 36% increase from the previous financial year.

Employee costs experienced an increase going from R143 million to R179,5 million due to reclassification of salaries for officials from DG Admin, increase in skills levy contributed, PAYE effect and the filling of more senior management positions that were once vacant for some time.

The increase in expenditure also resulted from a R237 million (52%) increase in Discretionary Grant expenditure, moving from R452 million in 2023/24 to R689 million this year. An increase in DG expenditure although still below a budget of R843 million, is a positive indicator that we were properly serving our obligations to learning programmes providers and beneficiaries better than the previous years.

Although this was within the budget of R83 million, mandatory grant payments declined to R83,5 million from R88,5 million in 2023/24; although this was within the budget of R83 million Administrative expenditure continued to be moderate, with a reasonable increase of 8% compared to the previous year. This indicates effective costs measurements actions undertaken by Management.

According to approved budgets for the year, the levies were R781 million, against R948 million budgeted for, whilst Administration Support expenditure was at R77 million against an R211 million budget due to legacy matters that are still being addressed by the organisation.

Cash and cash equivalents at the year-end were R1,01 million, a 9,6% increase from the previous year's balance of R1,1 billion as a result of increased spending on DG providers and beneficiaries.

Discretionary Grants (DG) Commitments stood at R2,7 billion, compared to the prior year's value of R1,7 billion. The CETA has sufficient reserves of R1 billion in cash balances and DG reserves of R741 million. With projected cash flows being positive, we are therefore a going concern. The CETA is licensed to operate until 31 March 2030, as gazetted by the Minister of Higher Education and Training.

The CETA duly submitted our application to National Treasury to retain accumulated surpluses of through DHET, as legislated.

The CETA has implemented consequence management on all procurement matters and other transgressions that required such action as prescribed by policies and procedures in line with laws of our country.

Achievements For The Current Period

The CETA achieved an audited performance of **97%** against the 2024/25 APP targets against the expected as set by the AA at 95%. This represents a 5% upward improvement from the previous year's overall performance (2023/24: 92%), a **98%** achievements of targets set by DHET for the organisation as per the signed 2024/25 Service Level Agreement (SLA), the first in the history of CETA since established in year 2000.

During the period under review, the levy payer base improved from the previous year. We honoured the outstanding commitments that were overdue, including the completion of the Ingwavuma Skills Development Centre (SDC) which was handed over to the Umfolozi TVET College as per DHET policy directive.

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

Amongst many others, there was also the commencement of construction for Ngoje SDC linked to Mthashana TVET College and the Taletso TVET Lehurutshe Campus SDC.

The control environment has seen a marked improvement compared to the prior year. CETA remain committed to implementing the AG's accepted recommendations; hence enhancing control measures will continue to be our top priority.

We have genuinely embodied the CETA values, enabling us to evolve into an agile, high-performing organisation that continually learns and is responsive to stakeholder needs. Over the next three years, we aspire to be recognised as one of the top employers in the country.

We play an important role in the facilitation of skills development across various regions. The geographical distribution of our training programmes addresses the unique needs of different areas, considering the specific economic activities and skills shortages within each region.

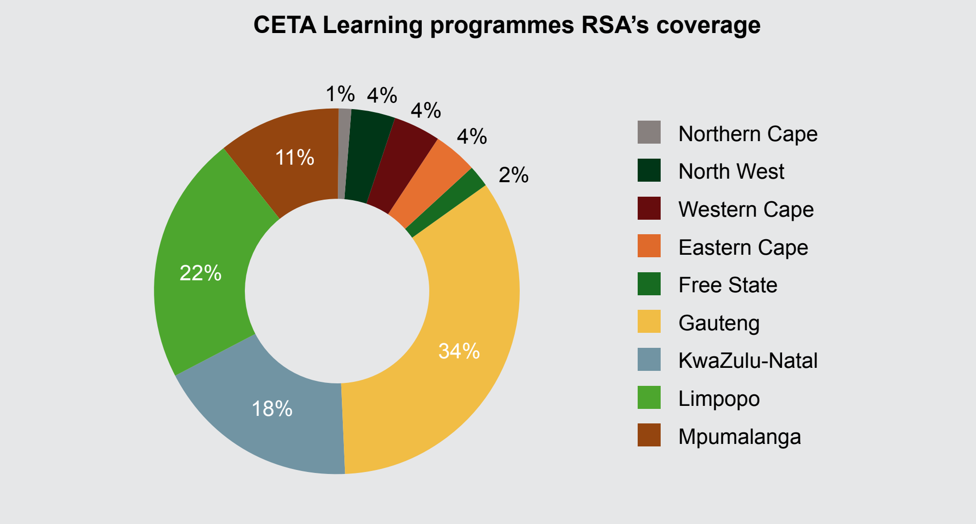
This targeted approach helps to bridge the skills gap, fosters economic growth and enhances the employability of individuals within the communities. Furthermore, this inclusive approach assists us to reach rural areas and previously underserved communities, thus promoting equitable skills development.

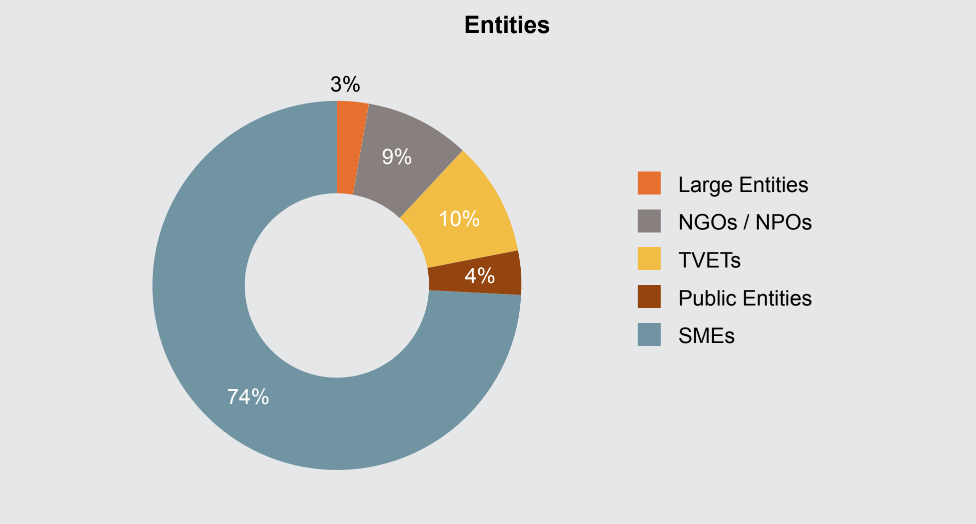
Accredited Skills Development Providers (SDPs) are crucial as implementers of the training, ensuring that it meets the quality standards we have set and the Quality Council for Trades and Occupations (QCTO).

The CETA skills development and learning programmes projects are spread across the country, with 14347 beneficiaries to be empowered from the 2024/25 DG Window; as reflected below:

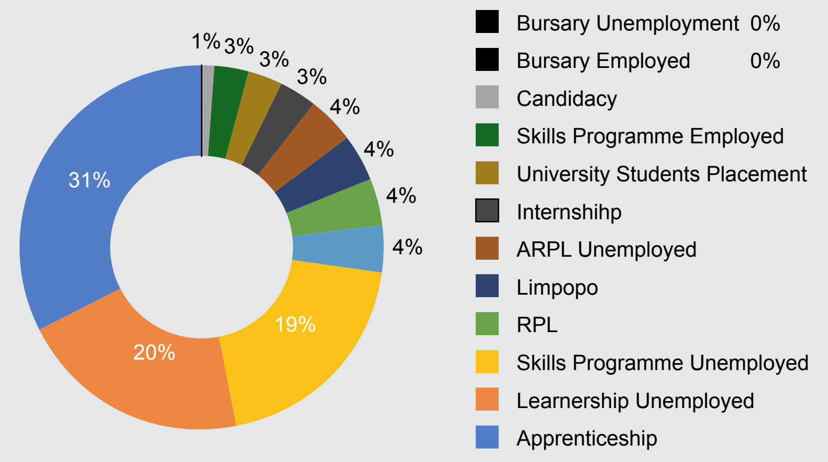
Furthermore; 90% of our programmes' beneficiaries were aged 19 to 35, whilst 10% is between age 36 and 64. This state demonstrate our commitment to bring hope and empower the youth through life changing skills and training opportunities.

The CETA continued to witness positive outcomes for its strategic focus on women, youth, people with disabilities, people and entities in rural and township areas.





CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)



We implemented the Economic Recovery and Reconstruction Programme skills interventions, especially in the areas of rural and townships with the public sector entities like Local Government, Provincial Departments and Entities and Traditional Authorities. The 2024/25 ERRP allocations were as follows, thereby balancing equitable skills programme distribution across South Africa:

In line with our strategic focus, from this DG Window awards SMEs were 74% of the overall followed by TVETs at 10% as shown below.

The spread of the pathways was led by apprenticeships at 31%, learnerships at 24%, short skills programmes at 19% and ARPL at 8% as shown below. Candidacy still need growth in allocations as it sat at 1% for the 2024/25 DG Window award.

Bursary Support for Unemployed Youth

The CETA spent R47-million in financial support to the needy and missing class students at various tertiary institutions through our Thapelo Madibeng Bursary Scheme (TMBS). At least 62% of TMBS beneficiaries were women from undergraduate to PhD levels. These focus on critical and scarce skills for the built environment studies.

Candidacy Programme

The Candidacy Programme supports unemployed and employed graduates placed in structured work-based programmes at host companies, whereby the graduate undergoes structured learning that will prepare them for Professional Registration with various Councils, what is referred to as PR-ed.

Our Candidacy scope include all professions with the nine Councils within the Council for the Built Environment (CBE) such as ECSA, SACPLAN, SACAP, SACQSP, SACPCMP, SACPVP, SAGC and others.

The Candidacy programme had more than 300 candidates enrolled, in line with the trend that there is always more up-take for entering Candidacy. The challenge is on the throughput / output where most Candidates due to various challenges including mentorship and lack of proper support and exposure; are either stuck or lost in the system.

We continue to implore all our industry stakeholders to improve so we can be able have to more Candidates being Professionally Registered (PR-ed) within the standard prescribed timelines.

In response the CETA and CBE entered into a collaboration to celebrate, recognise those entities that do well in supporting and producing more PR-ed candidates whilst recognising individual achievers as well through the BERA now held annually.

World Skills Competition and BRICS Future Skills Competition Participation

We continued to support and participate in the World Skills Conference and Competitions domestically and globally. The CETA has about six (6) skills within its scope that competes at the WSZA and WSI.

In partnership with the CIDB, the CETA supports the South African competitors on the Building Information Modelling (BIM) at the BRICS Future Skills Competition.
These initiatives serves to showcase South African talent and skills whilst benchmarking our competitiveness against other winning nations of the globe. CETA sponsorship for this initiative continues for the 2025 competition cycle as coordinated by University of Johannesburg.

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

International Executive Development Programme For Women And Up-Coming Executives (IEDP For WUCES)

The inaugural cohort for our IEDP for WUCEs implemented in partnership with GIBS successfully concluded during the year with 100% output. This cohort had 60 beneficiaries admitted; with 30 onto the GEDP for senior leaders and business people at NQF 8 equivalent and 30 for the IEDP PDBA rolled over 12 months.

We are glad to report that the top PDBA student for GIBS recognised by University of Pretoria as we are the funded beneficiary from this IEDP; and many other beneficiaries scoop awards at the September 2025 graduation at the UP. This programme was overwhelmingly oversubscribed for the 60 spaces.

The beneficiary groups are representative of all RSA racial demographics (Africans, Coloured, Indians, and Whites). The IEDP for WUCE achieved 62% women representation on the programme vs. the target of 60% set at its concept stage. This programme is a game change for the construction and built environment industry.

The CETA board then approved for the increased number to be 120 for the 2025 intake. The beneficiaries have already been immersed and exposed to various leading construction industry destinations including to Singapore, Peoples Republic of China, Dubai, Hong Kong, Malaysia, Egypt and Türkiye.

The programme is one of the high impact initiatives changing the face and fortunes of the construction and built environment leadership for a better transformed and capacitated construction sector into the near future and beyond.

Key Projects – Current And In The Future

We invested resources to improve our service-delivery offerings and are implementing the following key projects:

- Implemented the digitised career guidance intervention targeting more rural and township schools with **Careers for Tomorrow -Impacting a Generation** programme's **Curious Dalu movie** in motivating for more young women to take careers in the construction and built environment as a career of choice. The launch of this programme was overseen by the now Minister of Higher Education and Training in Mr B. Manamela. Within six months, the programme was able to reach more than 12 000 learners across the country against its target of 10 000. The careers website is now functional with one of the network providers zero rating its access, and CETA look forward to having more and private construction entities to advertise and showcase opportunities for learners on that website. This initiative also saw more than 250 career guidance practitioners empowered with relevant information to guide learners in choosing careers in construction and the built environment. These practitioners will go on to enrol on advanced ETDP SETA's advanced career guide practitioner course at NQF6;
- The re-alignment of historical qualifications to occupational qualifications in line with the QCTO SLA requirements continues;
- Enhanced skills development initiatives aligned to the Economic Reconstruction and Recovery Plan and addressing the objectives of the District Development Model (DDM), which saw all provinces participating including the Western Cape;
- Investing in the integrated records and knowledge management system as part our digitalisation path and
- Digitising and automating the DG Commitments and Projects Management processes was yet to commence with appointment of a provider from a competitive bidding process;

Amongst many, going into the future, the CETA is committed to the following:

- The construction of the Simulation SDC at Bredasdorp in the Western Cape, the Mahumani High- Tech SDC in Giyani in Limpopo and Port Nolloth in the Northern Cape which targets to service needed skills linked to the new Boegoe Baai port / harbour and the green hydrogen mega projects;
- Levy revenue growth through better servicing of our stakeholders and our strategic partnerships and tracking of levy debtors;
- Roling out transformational special projects that are impact focused as was resolved by the Accounting Authority in 2022/23 financial year;
- Continue to expand the International Executive Development Programme to cater for a minimum of 120 beneficiaries per intake into the future and
- Implementation of the SETA Integrated High Impact Programmes (SIHIP) as introduced during the SETA Skills Summit held in March 2024; especially relating to Skills Infrastructure as prescribed in the National PSET Plan.

Audit Matters

The CETA and the Auditor-General of South Africa (AGSA) had differences regarding the conduct and conclusion made by the AGSA team. Our differences and disagreements were escalated as per the framework provided for in the Public Audit Act and the International Standards on Auditing..

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

It is important to note that Management did not raise escalation and request interventions from other relevant authorities in a vacuum like National Treasury but was following a prescribed framework in that regard.

It is equally important to note that the SETA has an Accounting Authority and a Chief Executive Officer who are appointed by and report to the Executive Authority, the Minister of Higher Education and Training. There is no Accounting Officer in a schedule 3A entity like CETA, as the AA and AO cannot exist in one institution.

The distinction drawn by law for a related party entity in the Department of Higher Education and Training as disclosed in the financial statements; and such is led by the AO in the Director-General who also reports to the Minister. It is in the context of the above-mentioned scenario that we note a qualified audit opinion from the AGSA for the 2024/25 financial year. The annual financial statements of the CETA fairly presents the financial state of affairs as audited.

The CETA had improved its year-end reporting processes and had 100% submission of all information requested by the Auditor-General for the 2024/25 financial year. The CETA improved project management of all its DG learning projects by ensuring that all the active projects have signed SLAs and project charters in place.

The Project Management Office was still being established to address all project management matters throughout the CETA. Whilst all these will yield positive results, it is critically important that our DG implementers and stakeholders also improve on their end in ensuring all projects commence and conclude within the prescribed timelines. The DG implementers also need to improve their billing and invoice the CETA at least monthly and assist in returning DG projects confirmations at year end.

The CETA Performance Information received an Unqualified Audit conclusion, confirming an achievement of 98% of the CETA-DHET SLA targets. The CETA achieved 97% of its 2024/25 APP targets, a stellar record in the CETA's 25-year history.

There were items allegedly classified by the AGSA as irregular expenditure during this audit cycle; and all were escalated to National Treasury (NT) and the Public Protector accordingly. All those items had followed a due process as prescribed.

Such items are yet to be investigated as per the NT framework to confirm or dispel if they were indeed irregular or not; and are currently reflected in the Annual Report as Irregular Expenditure under assessment as prescribed by NT.

Confirmed irregular and fruitless expenditures from prior years were duly investigated, and such were concluded as per the NT framework prescripts at the date of this annual report. The responsible officials as reflected in the forensic reports in this regard, had undergone or were undergoing consequence management to the date of CETA placed under Administration on 19 August 2025.

We successfully resolved to the satisfaction of the AGSA, a materiality irregularity for the overpayment of more than R4,3 million that occurred during the 2020-2022 Administration. The Court ruled in our favour for the provider to pay back the money to us.

Another material irregularity matter related to legacy project to increase and certify more artisans through ARPL was handed to the Hawks for further processing. A related fruitless expenditure that may have been suffered for this legacy project will be recovered through the Hawks processes.

It is worth noting that this material irregularity took place during the same 2020-2022 Administration period as well; and is not in any way part of the term for the recent AA and current CEO.

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

Achievement Of The 2020-2025 Strategic Term Targets

Personnel Cost by Salary Band

Strategic Outcome	5-Year Strategic Target	Achieved To Date	% Achieved (PTD)
Support skills development of new entrants or unemployed people into the Construction Sector	36 307	31 290	86%
Enhance the skills of the existing workforce of the Construction Sector	2 040	1 900	93%
Respond to changing sectoral needs, priorities, and transformation through small business development	200	205	101%
Strengthen and expand strategic partnerships	327	327	100%

The CETA has achieved most of its key 2020 – 2025 strategic term targets as shown in the table above.

On average, we achieved 95% of the above key strategic plan objectives and targets by 31 March 2025.

Plans To Address Financial Challenges And Economic Viability

We continue to embark on levy revenue improvement projects, streamline our costs' structure, and seek avenues to optimally invest our funds to earn better returns where possible. We have participated on a transversal contract for debt collection to ensure all due to CETA is duly recovered timeously

Events After The Reporting Date

The former Minister of Higher Education and Training, Nobuhle Nkabane, appointed SETA Board Chairpersons, who were subsequently withdrawn in the same month of May 2025.

In July 2025, we welcomed the appointment of Honourable Minister of Higher Education and Training, Buti Manamela and his new two Deputy Ministers in Honourable Dr Nomusa Dube-Ncube.

We look forward to the strategic direction and oversight that will lead us to the 2030, another critical timeline in the South African calendar from an NDP 2030, NSDP 2030 and for the SETA operating licences.

CHIEF EXECUTIVE OFFICER'S OVERVIEW (continued)

Placing Of Ceta Under Administration

On 19 August 2025, the DG through Gazette Notice number 53184, placed CETA under Administrator with the Administrator appointed therefrom to be the CETA Accounting Authority.

Acknowledgements And Appreciation

I extend my sincere gratitude to my management team and employees for their commitment during testing year under review, and for raising the bar once more in achieving historic audited performance of 97% against our APP targets.

I am extremely grateful to our stakeholders, including training providers, learners, strategic partners, universities and TVETs for the unwavering support and commitment towards the sector and to the CETA as your skills authority.

I would like to express my appreciation to the Honourable Minister of Higher Education and Training (HET), for entrusting us with capacitation and skilling the construction and built environment sector for the Republic of South Africa.

I am honoured to have contributed immensely to achieving the strategic objectives and targets relating to the 2020-2025 strategic term and improving the CETA performance from a dire 21% to 97% against its APP since my appointment in 2021.

I believe these achievements made a needed impact beyond what was initially imagined when those goals and targets were set.

Mr Malusi Shezi
Edited post Chief Executive Officer's departure

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in this report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa (AGSA).

The report is complete, accurate, and free from any omissions and has been prepared in accordance with the guidelines issued by the National Treasury.

The Annual Financial Statements (AFS) (**Part F**) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP), the requirements of the Public Finance Management Act of South Africa, 1999 (PFMA) and Skills Development Act, 1998 (SDA).

Internal Control

The Accounting Authority (AA)/Board is responsible for the preparation of the annual financial statements and for the judgements made in this information. The board is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance on the integrity and reliability of the performance information, human resources information, and the AFS.

The external auditors were engaged to express an independent opinion on the Annual Financial Statements of the CETA.

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

Mr Oupa Nkoane
CETA Administrator
30 September 2025

> **"The report is complete, accurate, and free from any omissions and has been prepared in accordance with the guidelines issued by the National Treasury."**

STRATEGIC OVERVIEW

WITHOUT A STRATEGIC PLAN, THERE IS NO WAY TO TELL WHETHER WE ARE ON TRACK TO REACH OUR GOALS

This is the fourth year of our 2020-2025 Strategic Plan term.

We realise that that our organisation can only succeed when we adhere to long-term strategies, goals and how we plan to achieve them. We know that without a strategic plan, there is no way to tell whether we are on track to reach our goals.

ROADMAP AND GOALS

Strategic planning helps us to periodically evaluate our progress against our goals and plans so that we can make changes or adjustments in response to changing conditions. We understand that in an era marked by constant change, we must be prepared to navigate through and changes, adjusting their course in response to workplace dynamics and shifts.

We are aware that a strategic plan acts as a roadmap and goals to work toward, guiding us from our current state to a desired future state. As outlined below this roadmap includes our organisation's mission, vision, objectives, and key initiatives needed to reach those objectives.

During this term, our focus which guides our decision-making process to make a desired impact was the youth, women, people with disabilities and the rural and township entities.

We align our strategies and programmes with the National Development Plan (NDP) 2030 and the National Skills Development Plan (NSDP) 2030 to address skills gaps in the construction sector.

The CETA works is anchored on its vision mission glued by its values.

Value Proposition Statement

Our value proposition it to provide skills development services by implementing the objectives of the NSDP 2030, increase the number of people that obtain critical or scarce skills needed, to build the capacity of the construction sector to be economically sustainable and globally competitive.

Our Vision

To be a pillar for skills development and nation building.

Our Mission

To position skills as a foundation for economic development and empowerment.

Our Values

Agile – Easy availability of relevant personnel and decision-makers to all stakeholders and prompt response to their issues.

Results-oriented – Always striving towards attaining the highest performance targets and greatest impact.

Integrity – Acting and discharging our duties with absolute honesty, and in compliance with laws and applicable norms.

Respect – Treating all we interact with and discharging our responsibilities with courtesy and dignity.

Professionalism – Executing our responsibilities and tasks with the requisite skill, competency and attitude; and the ability to give and/or receive constructive criticism or advice without any prejudice or repercussions.

Strategic Goals

Our strategic goals include the following:

GOAL 1	Sustainable high performing CETA anchored on Clean Governance and Administration;
GOAL 2	Credible skills planning and reporting based on research, technology and innovation for the construction sector;
GOAL 3	Implement skills development programmes that prioritises critical and scarce skills linked to the current and future of work for the construction sector;
GOAL 4	Implement capacitated quality assurance processes that enhances the construction sector competitiveness and delivery of quality skills and training and
GOAL 5	Enhanced stakeholder relations and CETA brand positioning.

LEGISLATIVE AND OTHER MANDATES

THE LEGISLATIVE MANDATE AND FRAMEWORKS GOVERNING OUR WORK

LEGISLATIVE MANDATE

The CETA's is a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) established in terms of the Skills Development Act, 1998 (Act 97 of 1998) as amended.

We are governed by the following legislative frameworks:

- Skills Development Act, 1998 (Act 97 of 1998) (SDA);
- Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA);
- Skills Development Levies Act, 1999 (Act 9 of 1999) (SDLA);
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);
- Preferential Procurement Policy Framework Act and Regulations, 2017 (PPPFA);
- The National Qualifications Framework (NQF) Act (Act 67 of 2008);
- Income Tax Act, 1962 – Tax Allowance (Act 58 of 1962);
- Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997): Sectoral Determination No 5: Learnerships;
- Public Audit Act, 2004 (Act 25 of 2004) as amended
- Employment Equity Act, 1998 (Act 55 of 1998);
- Broad-Based Black Economic Empowerment Act, 2013 (Act 46 of 2013);
- Promotion of Equality, and Elimination of Unfair Discrimination Act 2000, (Act 4 of 2000); and
- SETA Grants Regulations (2012).

COMPLIANCE

We have complied with all the key and relevant laws and regulations as they relate to our mandate of skills development in the construction and built sector.

Compliance with these frameworks is tracked and reported upon monthly and quarterly as part of our compliance universe report to the Executive Committee (EXCO), Governance, Strategy, and ICT Committee (GSICT), the Audit and Risk Committee (ARC) and the Accounting Authority.

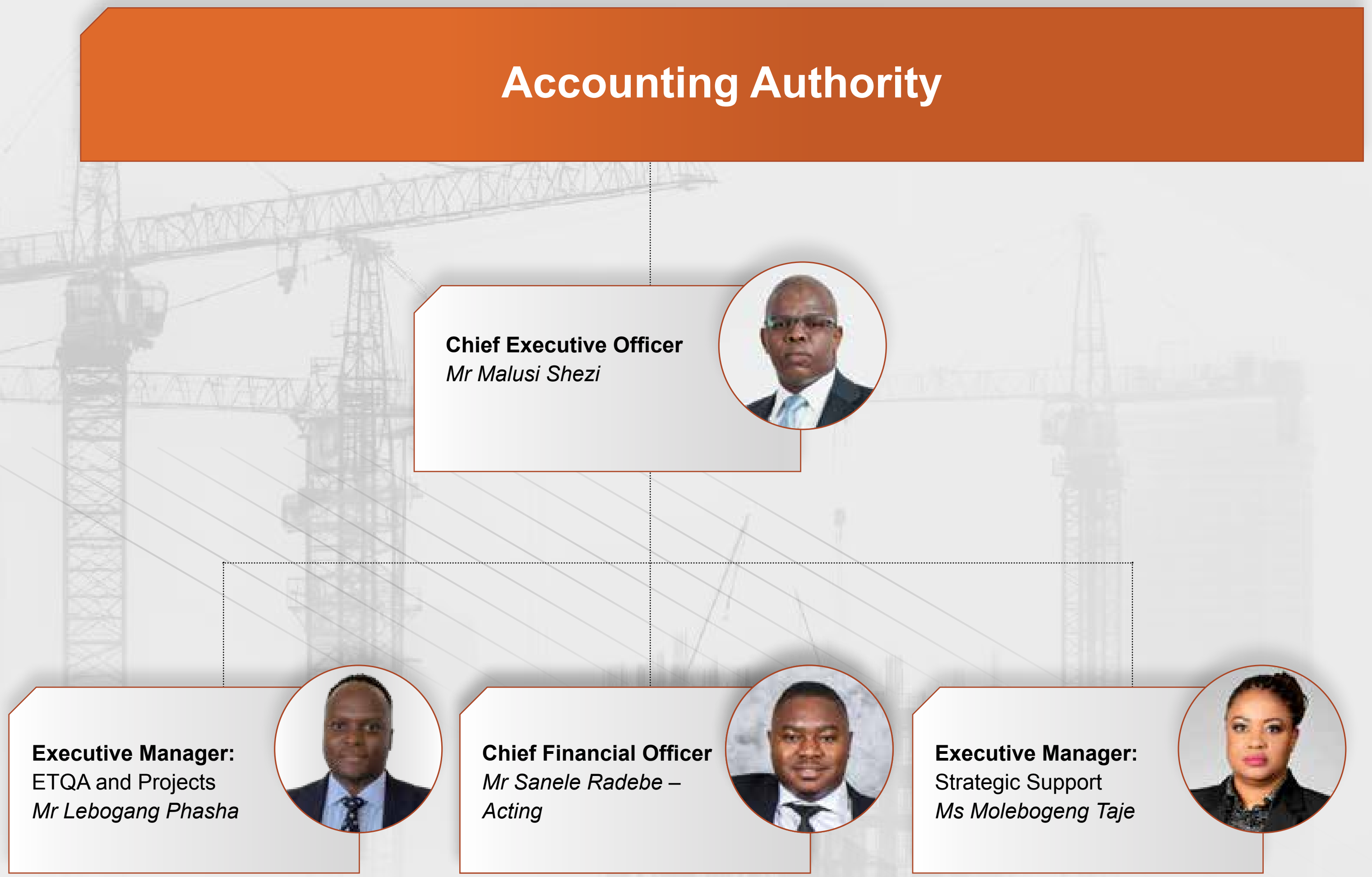
POLICY MANDATES

Our strategy and operations are guided by the following national strategies and policies.

- The National Development Plan 2030 (NDP);
- The National Human Resources Development Strategy of South Africa;
- National Plan for the PSET (NPPSET);
- National Skills Development Plan 2030 (NSDP);
- Strategic Infrastructure Projects (2012);
- ransformation in the Construction Sector: Construction Charter Codes (2017); and
- Economic Reconstruction and Recovery Plan, 2020.

These Policy mandates serve as the roadmap for CETA to deliver our skills development interventions.

ORGANISATIONAL STRUCTURE



STRATEGIC SUPPORT OVERVIEW

“Strategy requires thought, tactics require observation.”

– MAX EUWE.

Ms Molebogeng Taje
Executive Manager:
Strategic Support

The 2024/25 financial year has been a turning point for the Construction Education and Training Authority (CETA). Faced with negative audit findings, governance challenges, and operational inefficiencies, the organisation has committed to an ambitious turnaround agenda. This effort aims to restore credibility, rebuild capacity, and position CETA as a valued partner in South Africa’s skills development landscape.

The Strategic Support Division’s report for 2024/25 stands as testament to a year defined by renewal, resilience, and transformation within the Construction Education and Training Authority (CETA). We reflect on the work of the Strategic Support Division—which includes Research, Planning and Reporting; Human Resources; ICT; and Marketing and Communications.

STRATEGIC SUPPORT OVERVIEW (continued)

Recognising the pressing challenges of audit findings, governance shortfalls, operational inefficiencies, and reputational turbulence, CETA has embarked on an ambitious turnaround agenda. This agenda is woven throughout the fabric of the organisation's recent journey—a golden thread of renewal that aims to restore credibility, rebuild capacity, and position CETA as a valued partner in South Africa's evolving skills development landscape.

At the heart of this renewal lies CETA's approach to governance and organisational development. Audit results have underscored the need for robust systems and transparent processes, prompting the introduction of enhanced reporting mechanisms such as a digital contracts register, compliance dashboards, and regular performance reports. These tools are designed to fortify accountability and support informed decision-making, forging stronger relationships with Parliament, DHET, AGSA, and other stakeholders. The "road to renewal" is not merely a slogan but a concrete action plan to address historical weaknesses and lay the foundation for sound governance.

The transformation of the CETA workforce is integral to this journey. The organisation has grappled with uncertainty, low morale, and critical vacancies, all of which have impacted its ability to deliver on its mandate. In response, a post-organisational development (OD) review was launched, focusing on adaptability, strategic alignment, and the creation of a high-performance culture. Rapid recruitment for key positions, the introduction of a refreshed performance management system, targeted employee development initiatives, and a comprehensive wellness programme signal a commitment to nurturing talent and positioning CETA as an employer of choice. Next year, HR will further cement these efforts with a recognition programme that celebrates organisational values, ethical leadership, and accountability.

Technology forms another pillar in CETA's renewal strategy. Legacy systems and limited digitisation have previously hindered efficiency and transparency, but a forward-looking ICT strategy now aims to address these obstacles. Investments in integrated systems, digitised discretionary grant management, and a robust cybersecurity framework will stabilise core operations, while longer-term automation and data analytics projects promise to enable smarter decision-making. The upcoming rollout of a Records and Document Management System, a Learner Management System, and an integrated performance, governance, risk, and compliance platform reflects CETA's commitment to modernisation and sustainable operational excellence.

The renewal thread continues through planning and research—areas that have historically suffered from misalignment and underutilisation. CETA is now embracing evidence-based decision-making, striving for greater harmony between the Strategic Plan (SP), Annual Performance Plan (APP), and Sector Skills Plan (SSP). Quarterly reviews and improved alignment with national frameworks, such as the NDP 2030, ERRP, and HRD Strategy, ensure that programmes remain relevant and responsive to industry needs. Research, once disconnected from implementation, is now being rebuilt as the engine of sector intelligence, guiding curriculum design, identifying scarce skills, and informing grant allocations. Partnerships with higher education, industry, and international bodies, along with the appointment of research chairs, are set to elevate the credibility and impact of CETA's knowledge base.

Communication, both internal and external, is also being revitalised to support the renewal agenda. Recent negative media scrutiny has highlighted the urgent need for transparency and strategic engagement. In response, CETA is relaunching its quarterly stakeholder newsletter, instituting regular briefings, and investing in targeted social media campaigns to rebuild trust. Internal communications will be strengthened with bi-weekly bulletins and town halls, while deeper partnerships with levy payers and training providers will be forged through consistent engagement. These initiatives are designed to foster a culture of openness and collaborative growth.

Notably, CETA has launched a campaign to promote organisational values, encouraging staff to embody ethical leadership and accountability in their daily work. This cultural renewal is reinforced through recognition programmes and an emphasis on integrity, creating a cohesive environment where individual contributions support collective goals.

In reflecting on its recent history, CETA acknowledges a challenging past marked by governance lapses and reputational setbacks. Yet, through a sustained commitment to renewal—integrating governance improvements, workforce transformation, technological advancement, strategic planning, research-led action, and transparent communication—the organisation is charting a new direction. The narrative is now one of lessons learned and a renewed dedication to rebuilding trust, achieving measurable skills development, and establishing CETA as a model SETA, aligned with national priorities and prepared for future challenges.

Reporting ensures timely submission to statutory bodies; Marketing and Communications upholds CETA's brand; and ICT provides the necessary tools for efficient operations.

We are proud of the Strategic Support Division's role in helping CETA achieve its goals. For the second year running, we received favourable audit outcomes: the AG reported no material findings for reporting, performance management, or skills planning. However, auditors noted that the absence of a robust records management system makes it difficult

STRATEGIC SUPPORT OVERVIEW (continued)

to provide performance evidence promptly. We are addressing this through new technology solutions.

Our work this year reflects an honest assessment of our past and a clear commitment to future progress. This dual focus has guided our efforts in planning, research, reporting, HR transformation, ICT renewal, and marketing and communications.

In previous years, CETA's planning processes showed limited alignment between the Strategic Plan (SP), Annual Performance Plan (APP), and Sector Skills Plan (SSP). Targets were often set to meet compliance rather than to drive meaningful progress, and there was a lack of integration into day-to-day operations. Looking ahead, our planning will be strengthened through evidence-based decision-making, better alignment between APP and SSP priorities, and quarterly reviews that allow us to adapt to new trends. This ensures our programmes comply with national frameworks (such as the NDP 2030, ERRP, and HRD Strategy) and remain relevant to industry needs.

Historically, research at CETA was underused and disconnected from implementation. Our new strategy places research at the heart of impactful action. We are rebuilding our research capacity to generate sector intelligence that guides curriculum design, identifies scarce skills, and informs grant allocations. Partnerships with higher education, industry, and international bodies will help ensure our knowledge base is credible and transformative. To this end, CETA is committed to appointing research chairs that will assist in shaping our work going forward.
Audit results have highlighted persistent weaknesses in governance, project monitoring, and verifying discretionary grant commitments. This has prompted real change under the banner "road to renewal". Enhanced reporting systems, including a digital contracts register, compliance dashboards, and regular performance reports, will be implemented to boost transparency and support informed decision-making. These measures will build trust among Parliament, DHET, AGSA and other stakeholders.

The CETA workforce has faced uncertainty, low morale, and key vacancies, all of which have hindered delivery. A post-organisational development (OD) review focused on adaptability and alignment with strategic goals. The review included assessment of structure, job profiles, and evaluation processes. Working with the Administrator, we are focusing on organisational development, rapid recruitment for critical posts, a refreshed performance management system, focused employee development and a comprehensive wellness programme. Over the next year, we will embed a high-performance culture, comply with labour laws, and cultivate CETA's reputation as an employer of choice.

Legacy systems and limited digitisation have stalled our efficiency and transparency. The new ICT strategy includes investing in an integrated systems, digitising discretionary grant management, and implementing a cybersecurity framework. The programme will stabilise core systems in the short term, with longer-term investments in automation and data analytics to enable better decision-making. Key projects include acquiring a Records and Document Management System, a Learner Management System, and an integrated performance, governance, risk, and compliance platform. While finalisation was delayed this year, these systems are scheduled for rollout in the coming year.

CETA has recently been under negative media scrutiny in media outlets and other platforms. This highlights the need for transparent, proactive, and strategic communication. We are re-launching a quarterly stakeholder newsletter, regular stakeholder briefings, and targeted social media campaigns to rebuild trust. Internal communications will include bi-weekly bulletins and town halls, while partnerships with levy payers and training providers will be deepened through consistent engagement.

CETA has launched an internal campaign to promote organisational values, ethical leadership, and accountability. The initiative encourages staff to embody these values daily. Next year, HR will implement a recognition programme to further cement these behaviours.

CETA acknowledges a challenging past, marked by governance lapses and reputational setbacks. With planned interventions, we are charting a new direction. Our story is now one of lessons learned and renewed commitment—rebuilding trust, achieving sound governance, delivering measurable skills development, and establishing CETA as a model SETA aligned with national priorities.

We thank all CETA staff for helping us achieve 97% of our planned targets and look forward to reaching 100% next year, while maintaining high standards in reporting and performance management. Our gratitude extends to stakeholders who have supported us—"motho ke motho ka babangwe." We are, because you are.

Ms Molebogeng Taje
Executive Manager: Strategic Support

B PERFORMANCE INFORMATION

AUDITOR'S REPORT

Refer to page (100-104) of the Annual Report of the Auditor General's Report, publishes as Part F: Financial Information. Service Delivery Environment.

INSTITUTIONAL IMPACT AND OUTCOMES

The CETA Annual Report is the repository of qualitative information developed and informed by the National Skills Development Plan (NSDP) 2030 and its objectives.

Programmes, objectives, targets, and budgets have been put in place to ensure that the NSDP (2030) goals, outcomes, and outputs, which have been adopted as strategic objectives for the CETA are achieved. These objectives are reviewed annually as part of the annual strategic planning process to ensure relevance and to take into consideration the dynamics within the CETAs operating landscape.

The CETA has identified the following as its primary strategic objectives:

- Primary Strategic Objectives
- Support skills development of new entrants or unemployed to the Construction Sector;

Enhance the skills of the existing workforce of the Construction Sector;

- Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector;
- Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions; and
- Support national imperatives in relation to skills development, with emphasis on the Construction Sector.
- Organisational Environment

CETA leadership is committed to ensure that CETA is never placed under administration again. This goal is underpinned by the implementation of a major organisational change process, with the aim of improving its operations, governance, processes, and procedures which will subsequently transform CETA into a beacon of excellence within the skills development landscape. In pursuit of the CETA mandate the leadership is clear that to turn the CETA around, the focus areas identified as priority for improvement of CETA's performance are:

- Sustainability and clean administration;
- Effective stakeholder relations;
- Improved people skills, competencies, and employee engagement;
- Effective and positive corporate culture anchored by CETA values;
- Digital and institutional knowledge management;
- Technology and innovation in driving the research agenda; and
- CETA brand repositioning and alignment.

The CETA internal environment has been stable since having exited the administration

Summary of Performance

The CETA achieved an audited performance of 92% against the 2023/24 APP targets with minimum expected as set by the AA at 90%. This represents a 12% upward improvement from the previous year's overall performance (2022/23: 82%).

The financial year noted an improved sector participation in all aspects. The levy payer base improved slightly from the prior year. CETA Management honoured the outstanding commitments that were standstill for extended periods; an example being the construction of INgwavuma Skills Development Centre (SDC) to be handed over to Umfolozi TVET College as per DHET policy directive, plus uKhahlamba SDC linked to Mnambithi TVET College amongst many others. We have rolled out our augmented and comprehensive CETA flagship internship programme. We had during the year, about 43 interns who were funded from our administrative budget. The programme offers valuable experience and tackle youth unemployment in our country. All our administrative interns are fully qualified, each possessing at least an NQF 6 or higher qualification. We believe that even a brief stint with us will set them on a prosperous trajectory in their careers going forward. The CETA continued

INSTITUTIONAL IMPACT AND OUTCOMES (continued)

to witness positive outcomes for its strategic focus on women, youth, people with disabilities, people and entities in rural and township areas.

Going Forward

CETA continued to invest available resources to improve its service-delivery offerings and is implementing the following key projects:

- The re-alignment of historical qualifications to occupational qualifications in line with the QCTO SLA requirements;
- Enhanced skills development initiatives aligned to the Economic Reconstruction and Recovery Plan and addressing the objectives of the District Development Model (DDM);
- Investing in the development of integrated records and knowledge management system as part our digitalisation project; and
- Digitising and automating the DG Commitments and Projects Management processes. Levy revenue growth through better servicing of our stakeholders and our strategic partnerships.

Research Agenda

A research agenda highlights research priorities that will lead to more successful research, laying out a clear framework for making future research decisions.

The Research Agenda has been developed specifically to:

- inform Department planning and implementation processes;
- inform stakeholders of the organisation's research priorities;
- signal to funders and development partners which research areas require investment; and
- assist the Department in guiding resource allocation for research.

Importance of Research

The role of research in realising the vision expressed in the White Paper on Post-School Education and Training (PSET) (2013) is critical. It can provide insights into the PSET system and the constituencies it serves, including the success or failure of policies and their execution, as well as information and analysis about other nations' experiences with similar difficulties. It also allows practitioners to test and compare various theories and approaches to PSET delivery as well as the development of cutting-edge information, services, and applications for the system.

Most importantly, research can provide evidence from which the CETA can make choices, evaluate policy, and improve the system in both policy and practice. Research forms an integral part of the CETA's strategic development process. The NSDP 2030 outlines eight outcomes that the SETAs must implement. Research is a key function that enables SETAs to build an empirical basis for implementing, monitoring, and evaluating programmes to address the NSDP 2030 outcomes.

Research is a key function that enables SETAs to build an empirical basis for implementing, monitoring and evaluating programmes to address the NSDP 2030 outcomes. The objectives of the research agenda are to guide the in determining its short- and long-term goals over the period of the Sector Skills Plan. The CETA's planning is strongly linked to the outcomes and recommendations made in the research implemented, as these are incorporated in determining partnerships, underpins the Discretionary Grant submission criteria and provides insight into current issues or trends.

The research themes focus on the broad areas of qualifications, industry research, green technology, and demand. The CETA hosts sessions with its stakeholders to share research findings and assist in guiding the industry. In the year under review, CETA commissioned a research study into the effectiveness of its training programmes.

Training providers and employers were interviewed as part of the study. Beneficiaries were polled to find out how they are faring in their careers since completing their training. Another research study commissioned was a tracer study, seeking to ascertain the whereabouts of CETA beneficiaries. The outcomes of these research studies assist the CETA in planning for the current and future needs of the industry. Going forward, the following research studies are in progress, or are to be commissioned.

ETQA AND PROJECTS OVERVIEW

Mr Lebogang Phasha
Executive Manager:
ETQA and Projects

CETA's core business is made up of ETQA and Projects functions, which are spread across two Programmes in the Annual Performance Plan (APP) and Annual Performance Report (APR). Programme 3 is Learning Programmes and Projects, and Programme 4 is Quality Assurance. Core Business is the most significant contributor to achievement of the organisation's 95% APP target. The two functions have been instrumental in CETA attaining a historic 97% APP achievement in the 2024/25 financial year.

ETQA Function

Purpose of the ETQA function

The Education and Training Quality Assurance (ETQA) function within the Construction Education and Training Authority (CETA) plays a pivotal role in upholding the quality and integrity of skills development within the construction sector. In alignment with the South

ETQA AND PROJECTS OVERVIEW (continued)

African Qualifications Authority (SAQA) and the Quality Council for Trades and Occupations (QCTO), the ETQA ensures that education and training programmes meet national standards and respond effectively to industry needs.

Under the QCTO transitional framework, CETA's ETQA function is mandated to maintain continuity in historically registered qualifications (HRQs) while facilitating a smooth transition towards occupational qualifications. Its core responsibilities include accrediting Skills Development Providers (SDPs), registering Subject Matter Experts (SMEs), conducting compliance monitoring and quality audits, moderating assessments, and issuing certificates for learner achievements against legacy qualifications and skills programmes. Additionally, the ETQA supports qualification development, artisan development, and oversees External Integrated Summative Assessments (EISA) as an Assessment Quality Partner (AQP).

These functions collectively support a quality-assured learning environment that promotes competence, employability, and alignment with national skills development priorities.

Accreditation

Under the QCTO transitional framework, CETA remains responsible for accrediting compliant SDPs to deliver historically registered qualifications. 38 HRQs were extended for learner enrolment until 30 June 2026, with a final date for learner achievements set for 30 June 2029. This aligns with the Ministerial Directive and Guidelines on transitional arrangements for pre-2009 qualifications, published in:

- Government Gazette No. 50742, dated 3 June 2024; and
- Government Gazette No. 51771, dated 13 December 2024.

In fulfilling this mandate, CETA ensures that all accredited providers delivering any of the HRQs maintain ongoing compliance through regular monitoring and evaluation. In addition, letters of extension of accreditation have been issued to compliant Skills Development Providers (SDPs) whose accreditation expired on 30 June 2024 but still wish to offer one or more of the 38 HRQs that have been extended. This process helps ensure that learners continue to receive nationally consistent and recognised training throughout the teach-out period.

CETA also works closely with the QCTO by accepting lists of accreditation applications, conducting site verification visits, and submitting detailed reports to inform QCTO's final accreditation decisions. The ETQA further collaborates with QCTO to develop workplace verification tools tailored to the construction sector.

To ensure credible evaluations, CETA's ETQA function identifies, verifies, and maintains a database of qualified and competent SMEs drawn from industry, TVET colleges, and other construction and built-environment sector stakeholders. These experts play a vital role in supporting the accreditation process with credible sectoral insights as fundamental inputs for ETQA functions.

In the 2024/2025 financial year, CETA recommended 183 SDPs for accreditation—achieving a 99% performance rate against set targets.

Certification of HRQs and Artisans

The Certification function within CETA's ETQA is responsible for validating and issuing certifications for learners who successfully complete either historically registered qualifications or artisan development programmes.

For HRQs, the ETQA reviews External Moderation Reports to confirm compliance with qualification requirements. This includes verifying whether learners have met the prescribed credit thresholds for a qualification, learnership, or skills programme. Once compliance is confirmed, learners are awarded either a Statement of Results for skills programmes or a Certificate for full qualifications and learnership completions.

In artisan development, the dedicated Artisan sub-unit verifies learner documents and Trade Test Reports. This verification ensures that only learners who meet the national criteria are recommended for artisan certification. The process upholds the credibility of trade qualifications and supports the broader national mandate for producing competent, work-ready artisans.

ETQA AND PROJECTS OVERVIEW (continued)

Qualification Development
CETA, through its ETQA unit, plays a strategic role in the development and maintenance of occupational qualifications for the construction sector. In addition, the realignment of HRQs as part of a transition to Occupational Qualifications and/or skills programmes. Under the QCTO transitional framework, CETA has been appointed as a Development Quality Partner (DQP) and Assessment Quality Partner (AQP) to support the creation, review, and implementation of qualifications to ensure alignment to occupational standards.

The core functions related to Qualification Development include:

- **Identifying Priority Qualifications**: Engaging with stakeholders, including industry bodies and education institutions, to identify qualification gaps and emerging occupational needs in the construction sector.
- **Developing Occupational Qualifications:** Coordinating expert groups, including subject matter experts (SMEs), to draft new qualifications that meet QCTO format and policy requirements. This includes compiling qualification documents such as occupational profiles, curricula, and assessment specifications.
- **Submitting Qualifications to QCTO:** Ensuring all qualification development submissions are completed according to prescribed timelines, formats, and policy guidelines, and are submitted to QCTO for evaluation and registration on the Occupational Qualifications Sub-Framework (OQSF).
- **Reviewing and Updating Qualifications:** Recommending amendments to existing qualifications where industry demands, regulatory changes, or national priorities require revision. This ensures the continued relevance and responsiveness of qualifications.
- **External Integrated Summative Assessment (EISA):** Where CETA is appointed as the Assessment Quality Partner (AQP), it is responsible for designing, managing, and quality assuring the EISA process. EISA serves as the final, high-stakes assessment that determines whether learners have achieved the required occupational competence. CETA ensures the integrity, standardization, and fairness of EISA by developing assessment instruments, appointing and capacitating EISA centres, and monitoring the entire assessment process in accordance with QCTO regulations.
- **Registering Learnerships:** As part of the implementation of qualifications, CETA facilitates the registration of learnerships aligned with occupational registered qualifications. This includes evaluating and approving learnership applications, ensuring alignment with NQF-registered qualifications, and supporting employers and providers in delivering structured workplace-based learning and theoretical instruction. The registration of learnerships ensures that learners benefit from formal employment-linked training pathways that lead to recognized qualifications.

These functions enable CETA to ensure that qualifications are relevant, demand-driven, and aligned with the national developmental agenda, ultimately strengthening the employability and productivity of learners in the construction industry.

ETQA AND PROJECTS OVERVIEW (continued)

The following Occupational Qualifications and Skills Programmes were developed, and learnerships registered.

03 Occupational Qualifications inclusive of Part-Qualifications as listed below:

No.	Qualification/ Part-Qualification/SkillsProgramme	Type (Nomenclature)	Title (Descriptor)	NQF Level	Credits
1	Qualification	National Occupational Certificate	Civil Road Construction Constructor	4	165
2		National Occupational Certificate	Civil Services Construction Constructor	4	165
3		National Occupational Certificate	Civil Structures Construction Constructor	4	160

05 Occupational Regulatory Skills Programme Developed

No.	Qualification/ Part-Qualification/SkillsProgramme	Skills Programme Id	Title (Descriptor)	NQF Level	Credits
1	Regulated Skills Programme	SP-900485	Scaffold Fixer	3	24
2	Regulated Skills Programme	SP-900484	Scaffold Tower Erector and Inspector	4	4
3	Regulated Skills Programme	SP-900481	Shutter Hand	2	52
4	Regulated Skills Programme	SP-900483	Class A Falsework Installer and Inspector	4	9
5	Regulated Skills Programme	SP-900482	Scaffold Hand	2	14

ETQA AND PROJECTS OVERVIEW (continued)

No	Occupational Learnership Title	Registration Number	SAQA Occupational Qualification Id	NQF Level
1	Occupational Certificate: Bitumen Spray Equipment Operator	32Q320235080452	117015	2
2	Elementary Occupational Certificate: Builder's Worker	32Q320236141202	120663	2
3	Occupational Certificate: Construction Plant Operator	32Q320237241382	117005	2
4	Occupational Certificate: Construction Bucket Trencher Operator	32Q320238070432	117007	2
5	Occupational Certificate: Diesel Bowser Operator	32Q320239080462	117006	2
6	Occupational Certificate: Dozer Operator	32Q320240070432	117025	2
7	Occupational Certificate: Face Shovel Operator	32Q320241070432	117008	2
8	ccupational Certificate: Hot Mix Asphalt Paving Machine Operator	32Q320242070462	117028	2
9	Occupational Certificate: Paving Screed Operator	32Q320243070432	117016	2
10	Occupational Certificate: Service Truck Operator	32Q320244070432	117027	2
11	Occupational Certificate: Sideboom Operator	32Q320245070432	117009	2
12	Occupational Certificate: Surface Grader Operator	32Q320246080512	117011	2
13	Occupational Certificate: Surface Roller Operator	32Q320247070432	117019	2
14	Occupational Certificate: Surface Tracked Dozer	32Q320248070432	117026	2
15	Occupational Certificate: Tractor Operator	32Q320249070432	117014	2
16	Occupational Certificate: Water Cart Operator	32Q320250080462	117010	2
17	Occupational Certificate: Asphalt Tester	32Q320268201364	112827	4
18	Occupational Certificate: Bamboo Floor Finisher	32Q320269141413	117230	3
19	Occupational Certificate: Bituminous Binders Tester	32Q320270251634	112826	4
20	Occupational Certificate: Carpet Floor Finisher	32Q320271141513	117231	3
21	Occupational Certificate: Civil Engineering Aggregates Tester	32Q320272221484	112808	4
22	Occupational Certificate: Concrete Tester	32Q320334211414	112833	4
23	Occupational Certificate: Soils, Gravels and Crushed Stone Base Materials Tester	32Q320335211394	112828	4

ETQA AND PROJECTS OVERVIEW (continued)

Projects Function

Purpose of the Projects function

The purpose is to implement a range of interventions with CETA as a facilitator by entering into agreements between SETAs, qualifying employers, and skills development service providers to deliver appropriate skills development interventions for employed workers, unemployed youth, TVET and university students, co-ops, SMEs, and NGOs. These skills development interventions are aimed at enhancing the ability of the beneficiaries to adapt to changes in the labour market and enable CETA to measure and report on the positive impact of the interventions. All CETA programmes target demographically diverse learners with a special focus on the inclusion of women, youth, people with disabilities, and those in rural areas.

The Projects function contributes to the following outcomes:

- Support skills development of new entrants or unemployed people into the construction sector enhance the skills of the existing workforce of the construction sector;
- Support national imperatives in relation to skills development with emphasis on the construction sector;
- Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions; and
- Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector.

CETA is a stakeholder-centric organisation and, as such, the focus is largely given to the allocation and successful implementation of impactful projects. CETA uses project management principles to positively contribute towards the learning and development of personnel within the construction sector in South Africa. All funds allocated towards learning initiatives are tracked using project management methodologies.

Learning Programmes: Administration and Implementation

The focus of this Unit is on the following:

- Development of the DG funding policies and procedures;
- Administering the DG awards process;
- Contracting for the DG awards and commencement of projects;
- Development of policies and procedures for implementation of skills development initiatives, including the determination of budget for skills development initiatives;
- Management of the Learner Management System and support to Skills Development Providers; and
- Provide capacity building to stakeholders on DG processes and the optimal use of the Learner Management System.

Provincial Operations

CETA's Provincial Offices are headed by senior managers who oversee all learning programme implementation and client services processes. CETA maintains an office in all provinces, however, for ease of co-ordination Northern Cape/Free State; Mpumalanga/ Limpopo; Gauteng/North-West are classified as regions. KwaZulu-Natal, Western Cape, and Eastern Cape are each managed by a dedicated senior manager.

The Provincial Offices play an important role in the representation of the CETA in provinces as the first point of contact for:

- Project implementation;
- Stakeholder management and support;
- Information dissemination with relevant stakeholders;
- Capacity building on CETA's processes for stakeholders;
- Conducting site verifications;
- Workplace Approvals;
- Inductions;
- Project Monitoring; and
- External Moderations.

Through the provinces and regions, the CETA ensures the successful implementation of projects together with employers an training providers in the main. The provincial offices are key to ensuring CETA achieves its strategic priorities and delivers the expected positive impact for the sector. The Learning Programme Implementation team, including provincial offices, have been instrumental in CETA historic 97% Annual Performance Report achievement for the 2024/25 financial year.

Mr Lebogang Phasha

Executive Manager: ETQA And Projects

INSTITUTIONAL PERFORMANCE

BY PROGRAMME/ACTIVITY/ OBJECTIVE

THE CETA 2024/25 PERFORMANCE SUMMARY

97% Overall Achievement

69 Total Targets

67 Targets Achieved

4 Programmes

1 Administration
2 Skills Planning and Reporting
3 Learning Programmes & Projects
4 Quality Assurance

1. Administration

50%

Total Targets	2
Achieved	1
Stakeholder Relations: 100%	**Audit Outcome:** Qualified

2. Skills Planning and Reporting

100%

Total Targets	7
Achieved	7
WSP/ATR Approvals: Exceeded	**Research Complete**

3. Learning Programmes & Projects

98%

Total Targets	56
Achieved	55
Exceeded	45
Learnerships: 3,430 (Target: 2,553)	**Artisan Programmes: 4,419 (Target: 4,200)**

4. Quality Assurance

100%

Total Targets	4
Achieved	4
Success Rate	100%
WSP/ATR Approvals: Exceeded	**Research Complete**

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme 1. Administration

PURPOSE: To provide strategic leadership, effective governance, effective and efficient operational management and support services to the CETA

SUB PROGRAMMES	
1.1. Effective administration and governance	**1.2 . Enhanced reputation of the CETA through public relations and marketing activities**
PURPOSE: Effective Corporate Governance and Management	**PURPOSE: Effective stakeholder relations**

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Imperatives in relation to skills development, with emphasis on the Construction Sector	Effective and clean administration and Governance	1.1. Improved controls and audit outcomes	Qualified Audit Opinion	Unqualified Audit Opinion	Unknown	–	Awaiting the audit outcome to be finalized by AGSA on or before 31 July 2025.	The change of target was approved by the AA
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector.	Enhanced reputation of the CETA through public relations and marketing activities	1.2. Effective and enhanced stakeholder relations with improved the CETA brand and reputation	0% stakeholder issues Unresolved for more than one month.	0% stakeholder issues Unresolved for more than one month	0% stakeholder issues Unresolved for more than one month	–	Target achieved.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Programme 2. Skills Planning and Reporting

PURPOSE: To ensure a credible mechanism for skills planning and reporting in the construction sector.

SUB PROGRAMMES		
2.1 Skills Planning	**2.2 Skills performing reporting**	**2.3 Research**
PURPOSE: To ensure effective planning to address the skills priorities in the sectort	**PURPOSE To ensure effective reporting on skills priorities in the sector**	**PURPOSE: To ensure relevant and applicable research on skills priorities in the sector**

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Enhance the skills of the existing workforce of the Construction Sector	Identified interventions required to improve enrolment and completion of priority Occupations.	2.1 Number of WSPs and ATRs approved for small firms	1 868	1 465	1 906	441	**Target exceeded.** This was due to improved support through WSP/ATR workshops; resulting in a higher number of compliant WSP/ ATRs.	N/A
		2.2 Number of WSPs and ATRs approved for medium firms	483	450	507	57	**Target exceeded.** This was due to improved support and communication about the support workshops for WSPs and ATRs	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
		2.3 Number of WSPs and ATRs approved for large firms	292	230	292	62	**Target exceeded.** This was due to improved support through WSP/ATR workshops; resulting in a higher number of compliant WSP/ATRs.	N/A
		2.4 SDF workshop per annum on WSP and ATR compilation and submission	9	9	10	1	**Target exceeded.** The EC was afforded two sessions due to the vastness of the province	N/A
		2.5 Conduct research to produce an updated and approved Sector Skills Plan aligned to the DHET SSP Framework	1	1	1	–	**Target achieved.**	N/A
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	Accurate and compliant reporting on CETA's Performance Information.	2.6 Quarterly SETA Good Governance reports submitted to DHET	4	4	4	–	**Target achieved.**	N/A
	Identified interventions required to improve enrolment and completion of priority occupations.	2.7 Perform at least one research activity to enhance skill development in the sector	1	1	1	–	**Target achieved.**	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Programme 3. Learning Programmes and Projects

PURPOSE: To address skills priorities within the construction sector

SUB PROGRAMMES			
3.1 Implementation of learning programmes	**3.2 Graduate placements**	**3.3 Provision of Skills development opportunities and Centres within previously disadvantaged communities**	**3.4 Development and support of SMME's, COOPs, NGOs, CBOs and NPOs**
To ensure the skills needs in the sector are addressed with adequately skilled workforce	**To address transformation challenges within the built environment through increasing access to built environment professions for individuals from previously disadvantaged groups.**	**Greater Access by Marginalized Communities to Skills Development Through Infrastructural Support**	**A Vibrant Civil Society Engagement in Skills Development Within the Construction Sector**
3.5 Partnerships	**3.6 Bursaries**	**3.7 Career and vocational guidance**	**3.8 Certification (excluding trades)**
Strengthened Collaboration and Partnerships for skills development in the construction sector	**An increased pool of skilled and competent graduates to enter the construction sector**	**Increased knowledge and interest in the construction careers**	**Increased throughput of learners on accredited construction programmes through a strengthened certification process**

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector.	Increased number of learnerships entered.	3.1. Number of unemployed learners per year entering in learnerships (Funded through DG, ERRP, and unfunded)	1 392 (funded)	2 553 (funded)	3430 (funded)	877	**Target exceeded.** This was due to increased support through capacity building workshops rendered to stakeholders for funded projects and timely implementation of projects.	N/A
			518 (unfunded)	472 (unfunded)	1232 (unfunded)	760	**Target exceeded.** This was due to increased industry outreach efforts by the CETA for industry-funded projects implementation.	N/A
		3.2. Number of employed learners per year entering in learnerships.	297 (funded)	560 (funded)	585 (funded)	25	**Target exceeded.** This was due to increased support through capacity building workshops rendered to stakeholders for funded projects and timely implementation of projects.	This was in response to alignment with NDP 2030 and DHET APP to meet government priority programmes.
			69 (unfunded)	71 (unfunded)	147 (unfunded)	76	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
	Increased number of learnerships completed.	3.3. Number of unemployed learners per year completing learnerships.	569 (funded)	1 362 (funded)	1 442 (funded)	80	**Target exceeded.** This was due to the simultaneous moderation of prior year projects with current year projects Completions.	This was in response to alignment with NDP 2030 and DHET APP to meet government priority programmes.
			354 (unfunded)	237 (unfunded)	1 106 (unfunded)	869	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
		3.4. Number of employed learners per year completing learnerships.	67 (funded)	301 (funded)	315 (funded)	14	**Target exceeded.** This was due to the simultaneous moderation of prior year projects with current year projects Completions.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
			69 (unfunded)	33 (unfunded)	95 (unfunded)	62	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
	Increased number of skills programs entered.	3.5 Number of unemployed learners per year entering skills programmes (DG and ERRP).	1331 (funded)	2 720 (funded)	3907 (funded)	1187	**Target exceeded.** Increased enforcement of project timelines and improved project oversight.	This was in response to alignment with NDP 2030 and DHET APP to meet government priority programmes.
			362 (unfunded)	337 unfunded)	488 (unfunded)	151	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
		3.6. Number of employed learners per year entering skills programmes (DG and ERRP)	315 (unfunded)	246 unfunded	294 (unfunded)	48	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
	Increased number of skills programmes completed.	3.7. Number of unemployed learners per year completing skills programmes.	1780 (funded)	2 339 (funded)	2 485 (funded)	146	**Target exceeded.** This was due to increased support through capacity building workshops rendered to stakeholders for funded projects and timely implementation of projects.	N/A
			2 723 (unfunded)	168 (unfunded)	1 333 (unfunded)	1 165	**Target exceeded.** This was due to increased support through capacity building workshops rendered to stakeholders for funded projects and timely implementation of projects.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
		3.8. Number of employed learners per year completing skills programmes.	155 (funded)	395 (funded)	47 (funded)	-348	**Target not achieved** Planned projects to achieve this target did not commence on time. Some entities requested extension.	N/A
			470 (unfunded)	85 (unfunded)	185 (unfunded)	100	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
	Increased number of artisans entered	3.9. Number of learners per year entering artisan programmes.	2 151 (funded)	4 200 (funded)	4 419 (funded)	219	**Target exceeded** This was due to increased support through capacity building workshops rendered to stakeholders for funded projects and timely implementation of projects.	This was in response to the alignment with NDP 2030 and DHET APP to meet government priority programmes
			701 (unfunded)	689 (unfunded)	1 036 (unfunded)	347	**Target exceeded.** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A
	Increased number of artisans completed	3.10. Number of learners per year completing artisan programmes.	1 354 (funded)	1 960 (funded)	2000 (funded)	40	**Target exceeded** This was due to increased support through capacity building workshops rendered to stakeholders for funded projects and timely implementation of projects.	This was in response to the alignment with NDP 2030 and DHET APP to meet government priority programmes
			1 601 (unfunded)	345 (unfunded)	808 (unfunded)	463	**Target exceeded** This was due to the industry positively responding to CETA outreach and funding more than what was targeted.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
	Increased number of bursaries entered	3.11. Number of unemployed bursaries learners Enrolled (new enrolments)	104 (funded)	108 (funded)	108 (funded)	–	**Target achieved.**	N/A
		3.12. Number of unemployed bursaries learners Enrolled (Continuation)	304 (funded)	300 (funded)	333 (funded)	33	**Target exceeded.** This was due to awarding higher numbers to cater for dropouts, transfers out of the built environment and learners' change of bursars	N/A
		3.13. Number of employed bursaries learners Enrolled (new enrolments)	124 (funded)	123 (funded)	186 (funded)	63	**Target exceeded.** It was through the successful implementation of the CETA the IEDP programme	N/A
		3.14. Number of employed bursaries learners Enrolled (continuation)	54 (funded)	43 (funded)	79 (funded)	36	**Target exceeded.** This was due to increased numbers of students advancing in their programmes.	N/A
	Increased number of bursaries completed	3.15. Number of unemployed bursary learners per year (completed)	218 (funded)	180 (funded)	183 (funded)	3	**Target exceeded.** This was due to increased numbers of students advancing in their programmes.	N/A
		3.16. Number of employed bursary learners per year (completed)	10 (funded)	88 (funded)	89 (funded)	1	**Target exceeded** Awarded more bursaries through universities' partnerships	N/A
	Increased number of internships entered	3.17. Number of unemployed learners per year entering internships	258 (funded)	375 (funded)	409 (funded)	34	**Target exceeded.** This was due to the CETA creating a buffer to manage the risk of dropouts	This was in response to alignment with NDP 2030 and DHET APP to meet government priority programmes.
	Increased number of internships completed.	3.18. Number of unemployed learners per year completing internships.	200 (funded)	200 (funded)	272 (funded)	72	**Target exceeded.** Increased enforcement of project completion timelines and conditions.	N/A

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PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
	Increased number of University Student Placement entered per year	3.19. Number of University Student Placement entered per year.	277 (funded)	338 (funded)	432 (funded)	94	**Target exceeded.** This was due to the CETA creating a buffer to manage the risk of non-achievement of the target.	This was in response to alignment with NDP 2030 and DHET APP to meet government priority programmes.
	Increased number of University Student Placement completed per year.	3.20. Number of University Student Placement completed per year.	73 (funded)	67 (funded)	86 (funded)	19	**Target exceeded.** Increased enforcement of project completion timelines and conditions.	N/A
	Increased number of TVET Student Placement entered per year.	3.21. Number of TVET Student Placement entered per year.	444 (funded)	546 (funded)	760 (funded)	214	**Target exceeded.** Increased enforcement of project completion timelines and conditions, as well as special projects implementation.	This was in response to alignment with NDP 2030 and DHET APP to meet government priority programmes.
	Increased number of TVET Student Placement completed per year.	3.22. Number of TVET Student Placement completed per year .	78 (funded)	68 (funded)	203 (funded)	135	**Target exceeded.** Increased enforcement of project completion timelines and conditions.	N/A
	Increase in number of Candidacy programmes entered per year.	3.23. Number of learners entering Candidacy programmes per year.	320 (funded)	200 (funded)	220 (funded)	20	Target exceeded. This was due to additional support through capacitation workshops and project implementation support.	N/A
	Increase in number of Candidacy programmes completed per year.	3.24. Number of learners completing Candidacy programmes per year.	68 (funded)	65 (funded)	82 (funded)	17	Target exceeded. This was due to more candidates meeting minimum requirements to qualify as professionals.	N/A
Support national imperatives in relation to skills development, with emphasis on the construction Sector.	Supported skills development centres in the construction sector.	3.25. Number of skills development centres in the construction sector supported.	4	4	4	–	**Target achieved.**	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

SUB PROGRAMME: Partnerships – University, TVET and CET

Purpose/Strategic Objective: Strengthened Collaboration and Partnerships for skills development in the construction sector.

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions.	SETA/University partnerships funded by the CETA through the discretionary grants for construction sector Programmes.	3.26. Number of active SETA/University partnerships for skills development Initiatives in the construction sector.	10	15	15	–	**Target achieved.**	N/A
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector.	SETA/TVET College partnerships supported and signed MOUs with CETA to deliver and implement skills development programmes in the construction sector.	3.27. Number of active SETA/TVET College Partnerships supported and or signed MoUs with the CETA to deliver and implement skills development programmes in the construction sector.	25	30	31	1	**Target exceeded** This was due to interest to partner with CETA to identify areas of collaboration on skills development initiative.	N/A
	CET partnerships established	3.28. Number of active SETA/Community College partnerships supported and/or signed MoUs with the CETA to deliver and implement skills development programmes in the construction sector.	9	9	9	–	**Target achieved.**	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

SUB PROGRAMME: Development and Growth of Public College System

Purpose/ Strategic Objective: Support the growth of the public college system.

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector.	Supported TVET Colleges.	3.30. Number of TVET Lecturers exposed to the industry.	33	10	10	–	**Target achieved.**	N/A
		3.31. Number of TVET colleges lecturers awarded bursaries.	6	50	52	2	**Target achieved.** This was due to CETA creating a buffer to manage the risk of the non-achievement of target.	N/A
		3.32. Number of TVET colleges infrastructure development support (equipment/workshops).	9	10	10		**Target achieved.**	N/A
		3.33. Number of Managers and/ or lecturers (TVET) receiving training on curriculum related studies.	25	20	25	5	**Target exceeded.** This was due to CETA creating a buffer to manage the risk of non-achievement of target.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
	Supported CET Colleges	3.34. Number of CET colleges lecturers awarded skills development programmes.	10	20	20		**Target achieved.**	N/A
		3.35. Number of CET colleges infrastructure development support (equipment/workshops/ Connectivity/ICT).	4	10	10		**Target achieved.**	N/A
		3.36. Number of Managers/ lecturers (CET) receiving training on curriculum related studies.	22	20	25	5	**Target exceeded** This was due to CETA creating a buffer to manage the risk of non-achievement of target.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

SUB PROGRAMME: Development and support of SMME'S, COOPS, NGOS, CBOS & NPOS

Purpose: A Vibrant Civil Society Engagement in Skills Development within the Construction Sector

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector.	Co-operatives supported with training interventions and or funded.	3.37. Number of co-operatives funded or trained for skills that enhance enterprise growth and development.	10	9	19	19	**Target exceeded.** This was due to increased interest by stakeholders.	N/A
	SMMEs in the construction sector supported through funding and/or accreditation	3.38. Number of small businesses funded for skills that enhance growth and development	45	50	102	52	**Target exceeded.** This was due to an increase in compliant applications by small businesses for Discretionary Grants as well as stakeholder awareness.	N/A
	People trained on entrepreneurships supported to start their businesses.	3.39. Number of people trained on entrepreneurship and supported to start their businesses.	20	20	20	–	**Target achieved.**	N/A
	Capacity building workshops held in skills development for Trade Union support.	3.40. Number of capacity building workshops in Skills Development for Trade Union support.	2	2	2	–	**Target achieved.**	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

SUB PROGRAMME: Partnerships- Public & Private

Purpose/Strategic Objective: Strengthened Collaboration and Partnerships for skills development in the construction sector.

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
	3.41. Number of CBOs/ NGOs/ NPOs funded or trained for skills that enhance the development and sustainability of their organisation activities.	3.41. Number of CBOs/NGOs/ NPOs funded or trained for skills that enhance the development and sustainability of their organisation activities.	14	20	20	–	**Target achieved.**	N/A
Strengthen and expand strategic partnerships to maximise sustainability and impact of Skills Development Interventions.	Partnerships with public institutions improve service delivery through skills Development.	3.42. Number of partnerships entered or maintained with public institutions to improve service delivery through skills development.	17	14	33	19	**Target exceeded.** This was due to interest to partner with CETA to implement skills development projects through Special Projects and Discretionary Grant awards.	N/A
	Partnerships with private institutions for economic growth.	3.43. Number of partnerships entered or maintained with private institutions to improve service delivery through skills development.	32	10	22	12	**Target exceeded.** This was due to the increased number of levy-paying entities expressing interest through discretionary grant applications and being found compliant.	N/A
	Public sector projects in rural areas	3.44. Number of Rural Development Projects supported	23	15	19	4	**Target exceeded.** This was due to increased allocation of DG awarded projects in rural areas.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

SUB PROGRAMME: Implementation Of Learning Programmes

Purpose/Strategic Objective: A skilled and capable workforce in the construction sector

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Enhance the skills of the existing workforce of the construction sector.		3.46. Number of RPL/ ARPL Learners assessed through Recognition of Prior Learning	1609	1657	1662	5	**Target exceeded.** This was due to increased efforts made by the CETA to ensure reporting of completed learners.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

SUB PROGRAMME: Career And Vocational Guidance

Purpose/ Strategic Objective: Increased knowledge and interest in the construction careers

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Career development exhibitions held in urban areas on occupations in high demand	3.47. Number of career development exhibitions in urban areas on occupations in high demand	19	15	17	2	**Target exceeded.** This was due to more invites received and CETA responded positively	N/A
	Career development exhibitions held in rural areas on occupations in high demand	3.48. Number of career development exhibitions in rural areas on occupations in high demand	25	20	36	16	Target exceeded. This was due to more invites received and CETA responded positively as well as the impact of the career guidance special project to reach many learners in the rural areas	N/A
	Trained career development practitioners	3.49. Number of career development practitioners trained	11	50	61	11	Target exceeded. This was due to the CETA's career guidance special project to train more practitioners in career development services to promote construction qualifications.	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Programme 4. Quality Assurance

Implementation of quality assurance that will enhance and ensure quality provision of training

SUB PROGRAMMES

4.1 NQF Provider Accreditation	4.2 Monitoring and Evaluation
PURPOSE: Accredited skills training in the construction sector	PURPOSE Increased and improved monitoring and evaluation of CETA programmes

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
Support skills development of new entrants or unemployed people into the construction sector and enhances the skills of the existing workforce of the construction sector.	Newly accredited training providers for learnerships and short skills programmes.	1. Percentage of compliant skills development providers ultimately accredited.	100%	95%	99%	4%	**Target exceeded** This was a result of all requests received from QCTO having been found compliant and recommended for accreditation.	N/A
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	CETA programmes effectively monitored	4.8. A percentage of active projects monitored, and external moderation visits conducted	100%	100%	100%		**Target achieved.**	N/A

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE (continued)

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Planned annual Target. 2024/2025	*Actual Achievement 2024/2025	Deviation from planned target to actual achievement for 2024/2025	Reasons for variances	Reasons for revision to outputs/output indicators/annual targets
	% of learners receiving certificate/statement of results	4.9. % of certificate or statement of results printed	–	95%	100%	5%	**Target achieved.** This was due to an increased number of projects that completed from the prior year resulting in increased number of certificates to be printed in the current year.	N/A
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	Quarterly site visit audits for all accredited training providers to verify if they are still compliant	4.10. A percentage of monitoring visits to the accredited SDPs	25%	25%	25%	–	**Target achieved.**	N/A

CETA REVENUE COLLECTION

Year on year, the CETA strives for fair and efficient collection methods to achieve consistent growth in in total revenue. However, total revenue was below budget during the 2024/25 financial year.

Not- withstanding the challenges that hampered the growth within the construction sector during pandemic period, there is a steady recovery which impacts positively the CETA in the collection of revenue.

The table below reflects a favourable variance when actual total revenue is compared to the budget for the financial year 2024/25. Here are the reasons:

Levies

The entity estimated to collect levies amounting to R947 million, however, we collected R782 million which resulted in a variance of R166 million.

The R782 million collected in levies compared to the budget is attributed to challenges affecting our sector regardless of the steady increase in qualifying levy payers during the financial year. There is a notable increase in levy payers.

Interest on investments

There was a favourable variance of R4.7 million in interest earned compared to the budget. Spending on projects was lower than expected, which increased the interest earned based on cash remaining in the bank.

Notwithstanding the decrease in interest rates, the CETA earned more interest earned in the CPD account. In its attempts to manage inflation, continuous decreases in interest rates has reduced the amount of interest earned by the CETA.

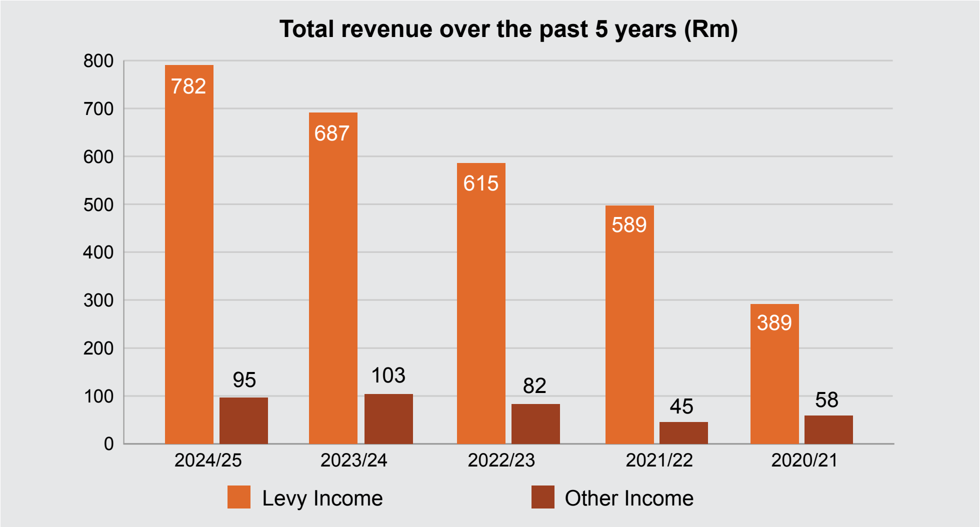
Fines, Interest and Penalties

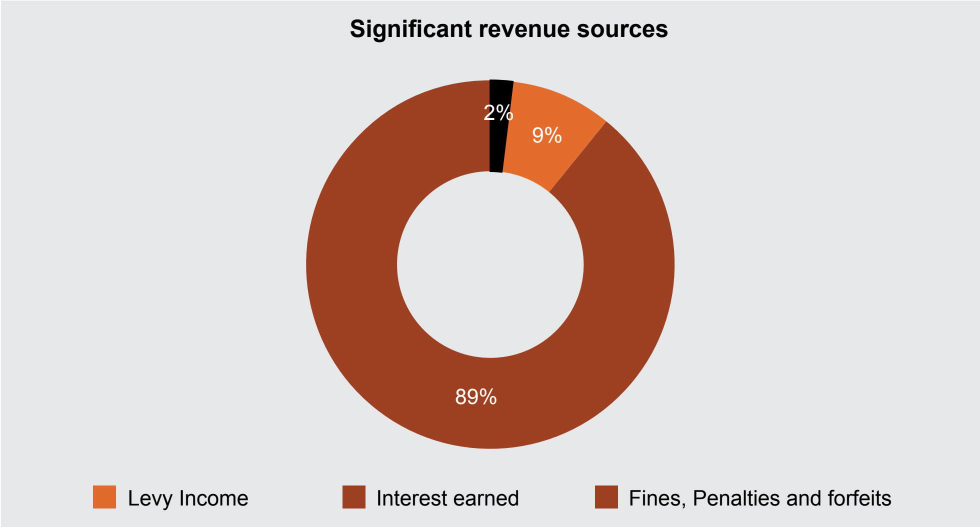
The budget on fines and interest is informed by fines and penalties imposed on levy payers for late payments, which could be due to tough economic conditions in the sector.

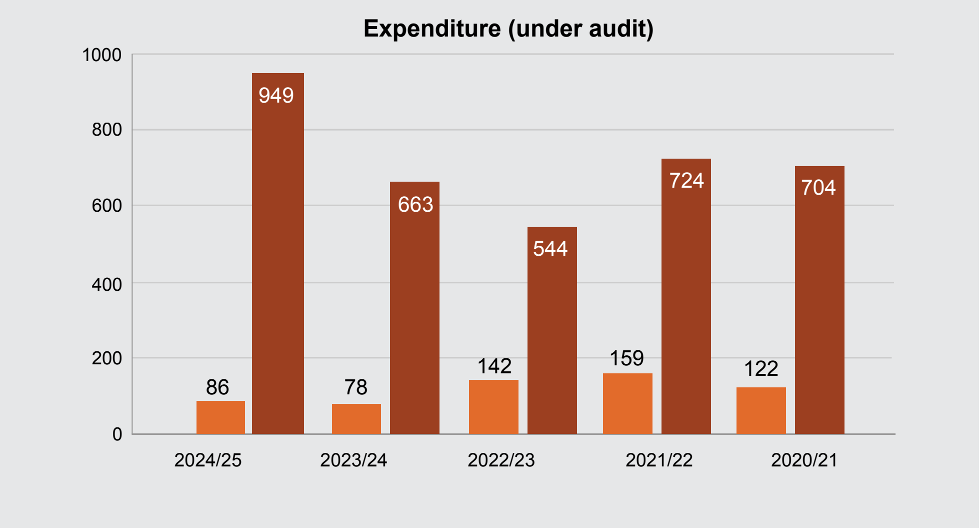
The positive outlook and the slight growth in the sector has improved the ability of the levy payers to contribute consistently throughout the financial year, resulting in less amounts collected from fines, interest and penalties by R4.8 million.

Infrustructure Projects	Budget/Estimate	Actual	Over/(Under) Collection
Levies	947 908	781 752	-166 156
Interest on investments	73 984	78 761	4 777
Interest, fines and penalties	18 903	14 056	- 4 847
Other revenue	-	2 175	2 175
	1 040 795	**876 744**	

CETA REVENUE COLLECTION (continued)







CAPITAL INVESTMENT

	2024/25			2023/24		
Infrustructure Projects	"Budget '000"	"Actual Expenditure '000"	"(Over)/Under Expenditure '000"	"Budget '000"	"Actual Expenditure '000"	"(Over)/Under Expenditure '000"
Head Office Acquisition		49 450				

The CETA procured Head Office building during 2024/25 for R49 million. The expenditure incurred after the acquisition was R609, 000.00.

C GOVERNANCE

GOVERNANCE

ENSURING ACCOUNTABILITY, TRANSPARENCY, AND PROMOTING THE RULE OF LAW.

"Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society."

– Sir Adrian Cadbury.

Sir Cadbury, an English businessman, who served as the chairman of Cadbury reminds us to respect processes through which drives public affairs and finances are managed to ensure accountability, transparency, and promote the rule of law.

OUR GOVERNANCE IS GUIDED BY:

Public Finance Management Act (PFMA)
Legislative requirements

King IV
Best practice principles

Skills Development Act

In our case, governance can only be achieved through well-functioning and legitimate institutions that empower employees and acknowledge their work conducting public affairs and managing public resources responsibly.

Corporate governance, applied through the stipulations of the PFMA and concurrently with the principles contained in the King Reports on Corporate Governance and the Companies Act, is an extension of our operational ethics to ensure that our organisation is operated in an ethical manner and those control our operations are held accountable for its performance.

Through processes and systems, parliament, executive management and non-executive directors are responsible for corporate governance so that they are and can be held to account for the running of the CETA.

Portfolio Committees

Here is how CETA management and the Board members are held to account:
- From time to time, parliament exercises its role by evaluating our performance by interrogating our annual financial statements and other relevant documents;
- The Portfolio Committee on Higher Education exercises oversight over the service delivery performance of the CETA, and as such, reviews the non-financial information contained in this annual report to ascertain how it delivers its service to enhance economic growth.

Standing Committee On Public Accounts (SCOPA)

The Standing Committee on Public Accounts (SCOPA) is a critical oversight committee of the South African Parliament. Its main mandate is to ensure accountability, transparency, and oversight over the financial management of government departments and public entities

GOVERNANCE (continued)

"In our case, governance can only be achieved through well-functioning and legitimate institutions that empower employees and acknowledge their work conducting public affairs and managing public resources responsibly."

CETA appeared before SCOPA on 26 February 2025 and the following are the topics and recommendations from the meeting.

Summary of SCOPA Presentation – 26 February 2025
That is why the CETA presented to the Portfolio Committee on Higher Education, in May 2025. The following resolutions and recommendations emanated from the briefing of the committee.

The presentation highlighted CETA's performance trajectory and audit outcomes over recent years. Organisational performance improved significantly, rising from 30% in 2019/20 to 92% in 2023/24, driven by stronger planning, target setting, and tracking mechanisms.
Key points emphasized to SCOPA included:
- Progress in service delivery performance aligned to the Skills Development Act and NSDP 2030.
- Improvements in audit outcomes, demonstrating stronger governance, compliance, and internal controls.
- Ongoing efforts to address historical weaknesses, including financial management, certification delays, and organisational stability.

The CETA also presented to the Portfolio Committee on Higher Education, in May 2025. The following resolutions and recommendations emanated from the briefing of the committee.

- **Move Beyond Outdated Forensic Reports.**

CETA should stop relying on the outdated Duja forensic report and instead demonstrate current, tangible progress in fulfilling its core mandate.

- **Leadership and Organisational Stability.**
  - Timely appointments to key leadership positions must be ensured to avoid the instability previously experienced (2019–2021).
  - Regular reviews of the organisational structure should support governance and operational efficiency.
- **Payroll Review**
  - A comprehensive audit of the payroll is required to align staffing with organisational needs and to ensure financial sustainability.
- **Certification Efficiency**
  - Improve and prioritise the timely issuing of learner certificates to support employability and uphold CETA's credibility.
- **Strengthen Financial Governance**
  - Enforce consequence management, enhance internal controls, and carry out regular independent audits to promote accountability and safeguard public funds.
- **Procurement Timelines and Capacity**
  - Finalise tender evaluations within seven days of closing dates;
  - Assign dedicated teams to handle evaluations, especially during peak procurement periods.
- **Recovery of Irregular Expenditures**
  - Expedite legal processes to recover funds transferred illegally to external parties.
- **Forensic Report Implementation**
  - Set clear timeframes for implementing recommendations from forensic reports.
  - Link implementation to the CEO's performance indicators.
- **Required Submissions to the Committee**
  - Names of EXCO members involved in ultra vires decisions that led to administration;
  - Legal review report on all forensic investigation findings from the administration period;
  - Minutes of the Accounting Authority meetings where the Duja report was reviewed.
  - Full list of forensic reports commissioned post-administration and
  - Disciplinary report and legal appeal outcome of a mentioned staff member.

GOVERNANCE (continued)

Executive Authority

During the year under review, CETA was under the Executive Authority of the Minister of Higher Education, Science and Innovation, Dr Nobuhle Nkabane.

Oversight by the Minister is focused on the prescripts of the PFMA and the Skills Development Act 97 of 1998.

The Minister also had the powers to appoint and remove the Board of the entity and must ensure that the appropriate mix of executive and Board members with necessary skills to guide the CETA are appointed.
Over the reporting period the Board reported to the Minister on various matters including the following:

- Quarterly financial and performance information;
- Vacancies in the Board;
- CETA Administrative matters and
- Updated the Minister on topical issues, including CETA events

The Board

The board is the Accounting Authority of the CETA. It constitutes a fundamental base for the application of corporate governance principles in our skills development organisation.

The board provides strategic direction to the CETA. Over the reporting period, the Board had several vacancies, which to some extent affected the appropriate mix of non-executive members representing the necessary skills to strategically guide the public entity.

All board members are non-executive to ensure independence and objectivity in decision-making. They have absolute responsibility for the performance of the organisation.

CETA Constitution

The CETA Constitution as defined by section 13(1) of the Skills Development Amendment Act (Act 26 of 2011) clarifies amongst others the duties, powers, size, composition and functions of the board.

The following roles and functions of the AA are outlined in the CETA constitution.

The AA/Board must:

- Govern and manage the CETA following the PFMA, and any other applicable legislation;
- Ensure that the CETA achieves the objectives in clause 5 of the constitution and performs the functions in clause 6 of the constitution;
- Provide effective leadership and ensure that the CETA implements the goals of the NSDS and the performance agreement with the minister;
- Provide a strategic direction for the CETA;
- Liaise with stakeholders;
- Ensure that the CETA complies with the relevant statutory requirements and the requirements of this constitution;
- Manage institutional risk;
- Monitor and report on the performance of the CETA; and
- Ensure that its members and the members of the committees established by it, comply with the Code of Conduct.

Composition Of The Board

To ensure independence and objectivity in decision-making, in line with section 11(1) and (2) of the Skills Development Act 97 of 1998, the board should comprise of 14 independent members and a chairperson.

The current CETA Board members were appointed from 01 July 2022. The board started its duties on 1 September 2022. Its term ended on 31 March 2025.

- Five nominated by organised labour;
- Two nominated by organised employers including small business or government departments that are employers; and
- One independent Chairperson appointed by the Minister

By the time their term ended, there were six vacancies.

Attendance Of Board Meetings

According to the Institute of Directors in Southern Africa and King IV, attendance of board meetings is an important responsibility for Board Membersto fulfil their responsibility and discharge their duties effectively.

Also, non-executive directors are required to prepare for the meetings in order to make a genuine contribution and take decisions collectively while contributing to strategic decision-making, and ensuring accountability.

While non-executive members can only add value when they are actively engaged and well-prepared for meetings, in today's digital age, their participation does not necessarily require physical presence.

GOVERNANCE (continued)

OUTGOING CETA BOARD

Mr Thabo Masombuka
Board Chairperson

Mr Phillip Vilakazi
Board Member

Mr Sunday Mlangeni
Board Member

Ms Sibongile Maseko
Board Member

Mr Danny Masimene
Board Member

Ms Rahab Mohetoa
Board Member

Mr Josias Mpe
Board Member

Mr Roy Mnisi
Board Member

Board Meetings Attendance for 2024/2025 Financial Year

Name and Surname	Regular AA/Board Meetings	Special AA/Board Meetings	Total Number of AA Meetings
Mr Thabo Masombuka	10 of 10	14 of 14	24 of 24
Mr Phillip Manzaba Vilakazi	10 of 10	14 of 14	24 of 24
Mr Danny Masimene	9 of 10	13 of 14	22 of 24
Ms Rahab Mohetoa	7 of 10	14 of 14	21 of 24
Mr Sunday Mlangeni	9 of 10	14 of 14	23 of 24
Ms Sibongile Maseko	9 of 10	13 of 14	22 of 24
Mr Josias Mpe	10 of 10	14 of 14	24 of 24
Mr Roy Mnisi	10 of 10	12 of 14	22 of 24

GOVERNANCE (continued)

Board Committees

The CETA constitution states that the board has the powers and responsibility to establish committees to enable it to discharge its responsibilities effectively and efficiently.

The AA established the following committees and the Chief Executive Officer Chief Financial Officer and the Executive Manager Strategic Support are permanent invitees:

- Board Executive Committee (BEXCO);
- Audit and Risk Committee (ARC)
- Finance, Remuneration, Human Resources and Ethics Committee (FRHEC); and
- Governance, Strategy, and ICT Committee.

Here are the reports of the committees:

Board Executive Committee (BEXCO)

BEXCO (Board Executive Committee) was established to support the Accounting Authority in ensuring sound governance, strategic oversight, and effective management of CETA. It acts in accordance with the CETA Constitution and Skills Development Act, operating between Accounting Authority meetings to advance the Accounting Authority's mandate.

Key Functions

(a) Oversee the overall management and operations of CETA.
(b) Supervise financial matters and ensure compliance with the PFMA and other legislation.
(c) Coordinate and monitor the implementation of Accounting Authority decisions and CETA policies.
(d) Monitor national policy developments and advise the Accounting Authority accordingly
(e) Ensure all delegated powers are exercised responsibly within defined terms.
(f) Oversee relationships with SETAs, government departments, and other skills development stakeholders.
(g) Review strategic and operational plans, budgets, and other key organisational documents.
(h) Report regularly to the Accounting Authority on performance, risks, and committee activities.

Board Executive Committee Meetings (BEXCO)		
Name And Surname	Number Of Meetings/ Attended	Role
Mr Thabo Masombuka	6 of 6	Chairperson
Mr Roy Mnisi	6 of 6	Member
Mr Danny Masimene	6 of 6	Member
Mr Phillip Vilakazi	4 of 6	Member
Mr Josias Mpe	6 of 6	Member

Finance, Remuneration, Human Resources And Ethics Committee

Overview of the Committee

The committee is mandated to provide strategic guidance and oversight on matters related to finance, remuneration, human resources, and ethics.

It functions as an advisory body to the board and is instrumental in ensuring that the CETA remains compliant with applicable legislation including the Skills Development Act, the PFMA, and relevant Treasury Regulations.

Committee Composition and Attendance

During the year under review, the FRHEC comprised the following members:

Name And Surname	Designation	Representation
Mr Roy Mnisi	Chairperson	Employer Representative
Mr Danny Masimene	Member	Employer Representative
Ms Sandra Maseko	Member	Labour Representative
Mr Sunday Mlangeni	Member	Labour Representative

GOVERNANCE (continued)

> "Despite operational challenges, the FRHEC upheld its oversight role and contributed to enhancing CETA's governance."

Meetings and Governance

The FRHEC meets quarterly and as and when needed. During the 2024/2025 financial year, the committee met quarterly. In addition, seven meetings were held.

Key Functions and Performance Highlights

Finance Oversight: Key Achievements:

The committee ensured compliance with the PFMA and Treasury regulations through oversight of financial controls.

Remuneration and Human Resources: Key Achievements:

FRHEC guided implementation of salary increases and performance incentives and ensured alignment with affordability principles. The committee also oversaw the review of several human resources policies such as the Disciplinary Policy, Leave Policy, Employee Relocation, and Grievance Procedures.

Ethics and Compliance: Key Achievements:

The committee oversaw annual ethics declarations and monitored fraud prevention frameworks. It also ensured adherence to policies and created awareness of ethical standards within the organisation.

Unresolved Matters And Priorities For 2025/2026

The incoming committee should finalise and implement Project Phenduka, which involves the review of organisational structure and job grading to ensure that the CETA achieve the following:

Work within the organisation is divided into manageable units;
Establish formal lines of authority and communication;
Assign tasks and responsibilities;
Deploy human resources effectively;
Provide a decision-making framework;

- Coordinate Organisational Activities;

Completion of the remuneration review and performance incentives for 2025/2026.;

- Review the Performance Incentive Policy to ensure fairness and recognition of employees' extended contributions;
- Finalise performance policies and HR reviews to align with industry best practices and
- Finalise and implement the Organisational Design Project to enhance structural alignment and operational efficiency.

Despite operational challenges, the FRHEC upheld its oversight role and contributed to enhancing CETA's governance.

Finance, Remuneration, Human Resource And Ethics Committee (FRHEC)		
Name And Surname	Designation	Number Of Meetings/ Attended
Mr Roy Mnisi	Chairperson	10 of 10
Mr Danny Masimene	Member	10 of 10
Ms Sandra Maseko	Member	8 of 10

Governance, Strategy And ICT Committee

The Governance, Strategy and ICT (GSICT) Committee is a duly constituted committee of the Accounting Authority, established in accordance with its Terms of Reference and applicable legislation to support effective governance, strategic direction, and oversight of Information and Communication Technology (ICT) within the CETA.

Purpose

The primary purpose of the GSICT Committee is to strengthen and align the organisation's

GOVERNANCE (continued)

governance, strategic, and ICT functions in accordance with the regulatory framework. The Committee plays a key advisory and oversight role, ensuring that governance mechanisms and strategic planning processes support the CETA's mandate and enhance its effectiveness, agility, and innovation.

Composition
The Committee comprises members appointed by the Accounting Authority, selected for their relevant skills, knowledge, and expertise in governance, strategy, and ICT. The composition includes nominees from organised employers and organised labour, as well as the independent chairperson of the ICT Governance Steering Committee as a standing invitee. The term of office of Committee members is determined by the Accounting Authority.

Functions
The GSICT Committee executes the following functions:

- Develop and review policies, principles, and guidelines essential to governance and strategic oversight.
- Promote and embed good governance practices, including ICT governance.
- Provide oversight over the development, implementation, and monitoring of CETA's ICT strategies and policies to ensure optimal return on investment.
- Ensure that governance and strategy frameworks empower the CETA to deliver on its mandate innovatively and competitively.
- Report to the Accounting Authority on critical governance, strategy, and ICT matters.

In addition to the above, the Committee is delegated the following responsibilities:

- Oversee the strategic planning process and guide the development of the Strategic Plan and Annual Performance Plan.
- Monitor the implementation of operational plans for core business units, assess performance reports, and provide recommendations for improvement.
- Promote alignment with good governance and regulatory practices, including the implementation of non-binding codes such as King IV.
- Oversee stakeholder relations and guide the CETA's corporate social responsibility initiatives.

Through these functions, the GSICT Committee ensures that governance, strategy, and technology are coherently integrated to support the achievement of the CETA's strategic objectives.

Governance, Social and ICT Committee (GSICT)		
Name And Surname	Number Of Meetings/ Attended	Designation
Mr Phillip Vilakazi	8 of 8	Chairperson
Mr Danny Masimene	8 of 8	Member
Mr Rahab Mohetoa	8 of 8	Member

Remuneration of Board Members			
Name And Surname	Remuneration (R – Rounded Off To The Nearest Thousand)	Other Allowances (R – Rounded Off To The Nearest Thousand)	TOTAL
Mr Thabo Masombuka	436 000	3 000	439 000
Mr Phillip Manzaba Vilakazi	267 000	–	267 000
Mr Danny Masimene	336 000	17 000	351 000
Ms Rahab Mohetoa	178 000	1 000	179 000
Mr Sunday Mlangeni	120 000	5 000	125 000
Ms Sibongile Maseko	156 000	7 000	163 000
Mr Josias Mpe	249 000	2 000	251 000
Mr Roy Mnisi	262 000	7 000	269 000
Total	**2,004 000**	**42 000**	**2,004 6000**

GOVERNANCE (continued)

Risk Management

The Accounting Authority is committed to ensuring the CETA has and maintains effective, efficient and transparent systems of risk management and internal controls in accordance with the provisions of section 51(1)(a)(i) of the PFMA and section 27.2.1 of the Treasury Regulations (TRs).

The CETA has adopted a policy statement that acknowledges that: "The realisation of the strategic plan depends on the CETA being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders" thus have put appropriate risk assessment processes in place and ensures continuous monitoring of the progress on the implementation of identified mitigations.

In the year under review, CETA continued to strengthen its risk management practices by enhancing the integration of risk into planning, performance and decision-making processes. Key updates included the review and implementation of Risk Management Policy and Strategy. Risk assessments were conducted with input from management and assurance providers to ensure identification of control weaknesses and adequate implementation of mitigation strategies, Training and awareness sessions were held to promote a risk-aware culture and capacitate staff on their roles in risk ownership and reporting. The progress on the implementation of the risk mitigations was reported to the Audit and Risk Committee on a quarterly basis for oversight and independent counsel.

The following improvements are still necessary for risk management to be a value driver in the organisation:

- Progress needs to be made in embedding risk management in all activities of the organisation.
- Improvement in the timely reporting of risks identified and the accuracy of mitigations identified to address the risk.
- Strengthening of combined assurance coordination with the organisation.
- Procurement of risk management tools to facilitate efficient monitoring of key risk indicators and advanced reporting.

Fraud And Anti-Corruption

The Accounting Authority recognizes that fraud represents a significant potential risk to the CETA's assets, service delivery efficiency and reputation. The CETA does not tolerate fraudulent or corrupt activities, whether internal or external to the Institution, and has committed to vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

The approved CETA Fraud Prevention Policy and plan refers to several anti-fraud programmes implemented by the organisation such as:

- Recruitment policy that includes pre-employment screening,
- Implementation of a code of conduct including declaration of interests, and
- The approved whistle-blowing policy that provides a platform for anonymous, investigation processes and protected reporting of suspected fraudulent activities.

The CETA continues to utilise the services of an independent fraud hotline provider, Advance Call, to allow for anonymous and confidential reporting. The organisation remains vigilant and committed to upholding the highest standards of integrity, transparency and accountability and all matters reported through the fraud hotline platform that required further investigations have been referred to the Legal Department and/or Internal Audit.

Internal Control Unit

Each manager is responsible for identifying weaknesses of control financial processes to ensure the reliability of our financial reporting, effectiveness and efficiency of our operations to comply with laws and regulations and prevent fraud.

Our policies strengthen internal controls and help identify problems and correct lapses before they are discovered in an external audit.

To support a sound internal control environment, management conducts risk assessments, implements appropriate controls, and develops mitigating action plans with defined target dates.

These actions are recorded in the risk registers to facilitate ongoing monitoring and continuous improvement of controls.

Oversight is provided through internal audit activities and established governance structures.

Internal Audit And Audit Committee

The Audit and Risk Committee (ARC) is a key Committee of the board of CETA established under the Standard SETA Constitution and the organisation's constitution. Its primary purpose

GOVERNANCE (continued)

is to support the board in discharging its oversight responsibilities as mandated by the PFMA, Treasury Regulations, and principles of sound corporate governance.

Transparency, And Accountability

The ARC serves as an independent and objective body dedicated to upholding the integrity, transparency, and accountability of the CETA's financial reporting processes and internal control systems.

By providing rigorous oversight, the ARC ensures that the CETA's financial statements are accurate, reliable, and compliant with applicable laws and regulations.

Additionally, it plays a crucial role in safeguarding the organisation's assets and ensuring the efficiency and effectiveness of its internal controls and risk management practices.

The committee's responsibilities extend beyond mere compliance. It actively engages in monitoring and strengthening the organisation's governance framework.

This includes reviewing the effectiveness of risk management processes, ensuring that significant financial and operational risks are properly identified, assessed, and managed in alignment with CETA's strategic objectives.

Promoting Ethical Conduct

Furthermore, the ARC is responsible for fostering a culture of continuous improvement and accountability within CETA.

It reviews and monitors the implementation of management's corrective actions to address any deficiencies identified through internal and external audits. It also oversees compliance with legal and regulatory requirements, promotes ethical conduct, and ensures that robust mechanisms are in place to prevent and detect fraud.

By fulfilling these comprehensive functions, the ARC contributes significantly to the stability, credibility, and sustainability of our organisation , thereby enabling it to fulfil its mandate of developing a skilled and capable workforce in the construction sector.

The CETA utilises an outsourced, independent Internal Audit firm that provides objective assurance and advisory services to support the organisation in achieving its strategic and operational objectives.

The function operates in accordance with an approved Internal Audit Charter and is guided by the Global Internal Audit Standards issued by the Institute of Internal Auditors, effective January 2025. The Internal Audit reports functionally to the ARC and administratively to the CEO of CETA, thereby ensuring independence and appropriate oversight.

The Internal Audit plays a critical role in promoting accountability, transparency, and sound governance. It supports the board and executive management by applying a structured, risk-based approach to evaluate and enhance governance, risk management, and internal control systems.

The Internal Audit maintained its organisational independence throughout the reporting period and operated with objectivity, professionalism, and ethical conduct in accordance with the Global Internal Audit Standards.

Key Focus Areas
During the year under review, SkX Protiviti, the appointed internal audit service provider, undertook a comprehensive range of internal audit activities focused on strengthening governance, improving risk management practices, and enhancing control processes across CETA. The key areas of focus included:

- Development of the risk based Three-Year Rolling Internal Audit Plan and the Annual Internal Audit Plan;
- Preparation for Audit Committee meetings and formal reporting;
- Coordination with External Auditors and the Risk Management Division;
- Corporate Governance review;
- Review of Supply Chain and Contract Management;
- Review of Information Technology General Controls (ITGC) and Application Controls;
- Audit of Performance Information;
- Review of Quarter 3 and Annual Financial Statements;
- Discretionary Grants Review – including the assessment of Standard Operating Procedures, process evaluations, and development of corrective actions to address audit qualifications (partially advisory);
- Review of Human Resources Practices and
- Follow-up on critical and significant internal and external audit findings

Collaborative Relationships

The Internal Audit maintains strong collaborative relationships with the ARC, executive management, the Risk Management Division, and External Auditors.

GOVERNANCE (continued)

It supports a coordinated approach to assurance, helping reduce duplication and ensuring alignment with organisational priorities and risks.

Minimising Conflict Of Interest

The CETA has an approved conflict of interest policy that is aligned to the Public Service Regulations.

The policy outlines applicability, responsibilities, and guidelines on managing interests that may conflict with those of the CETA.

All CETA governance structure committee members and employees are required to declare conflict of interest on appointment and thereafter on annual basis.

Furthermore, a declaration of conflict of interest is a standing agenda item for the CETA governance structure committee and all bid committee meetings with the members required to complete a declaration of interests form to register their financial and other interests for every meeting.

In the event of disclosure of interest, action is taken to eliminate the conflict or otherwise safeguard the interest of CETA and any finding of conflict of interest will be subject to CETA disciplinary procedures.

Code Of Conduct

The aim of the Code of Conduct is to promote a culture of ethics, honesty and professionalism within the organisation and amongst its employees and stakeholders.

To ensure compliance, new employees are inducted and provided with a copy of the policy to ensure compliance. Any violation of any part of the Code of Conduct may be cause for appropriate disciplinary action in terms of the Disciplinary Policy and procedure.

Occupational Health And Safety

To comply with the Occupational Health and Safety (OHS) legislation: *Occupational Health and Safety Act No. 85 of 1993 and the Occupational Health and Safety Amendment Act No. 18 of 1993, the CETA has put in place the below tools and actions ensure safety in the workplace.

There is a comprehensive OHS checklist which serves as a guideline to ensure compliance with the OHS Act. The checklist is complemented by other documents designed to streamline and enhance compliance processes.

	CHECKLIST
•	Emergency contact lists;
•	Emergency evacuation plan amongst others;
•	Fire extinguishers and hose reels servicing;
•	Lift servicing;
•	First aid box procurement and
•	Safety file for the CETA.

Safety documents that include risk assessments and other OHS documents are constantly being developing and update. To this end the Head Office of the CETA is 52% compliant with the aim of reaching a 70% compliance target.

Board Secretary

The Board Secretary plays a central role in ensuring the smooth and effective functioning of the board and its committees. By working closely with the chairperson, the secretary helps shape agendas, coordinate meeting logistics, and uphold good governance practices. Key responsibilities include:

- **Agenda and Document Management:** Ensuring timely distribution of meeting agendas and supporting documents to all board and Committee members and attendees for informed participation;
- **Meeting Coordination:** Overseeing all logistical and administrative arrangements to ensure meetings take place as scheduled and run efficiently;
- **Procedural Compliance:** Ensuring meetings are conducted in strict accordance with the procedures set out in the CETA Constitution and applicable governance frameworks;
- **Accurate Record-Keeping:** Maintaining detailed records of board decisions, resolutions, and actions, and monitoring their implementation and follow-through;
- **Governance Support:** Providing expert guidance to board members on their fiduciary duties, legal obligations, and governance responsibilities to ensure decisions are made in CETA's best interests;
- **New Member Induction:** Coordinating comprehensive orientation programmes to

GOVERNANCE (continued)

on-board new board members and integrate them effectively into the organisation's governance structures;

- **Ongoing Education and Development:** Facilitating continuous learning opportunities to keep board members updated on governance, regulatory, and sectoral developments;
- **Advisory Role on Governance and Ethics:** Serving as a trusted advisor on issues relating to corporate governance, compliance, and ethical business conduct.

SOCIAL RESPONSIBILITY

B-BBEE COMPLIANCE AND PERFORMANCE

Broad-Based Black Economic Empowerment (B-BBEE) Compliance Performance Information 2024/25

TRANSFORMATION

The 2023/24 B-BBEE Verification/Audit for CETA shows an improvement of compliance level towards implementing B-BBEE.

Internally the organisation appointed a Transformation Committee with the aim and objective of monitoring the Transformation agenda as required by the Transformation Policy.

The implementation and introduction of B-BBEE Scenario Tool is assisting the CETA to monitor progress updates monthly by divisions in implementing B-BBEE targets.

In implementing the Transformation Policy, CETA monitors its transformation through a Transformation Scorecard which requires us to ensure that the following are achieved:

B-BBEE		
Transformation targets	**Actual achieved targets**	**Comments**
Effective stakeholder relations and support.	Achieved	CEO and the board chairperson appeared in many media platforms, Industry stakeholder Imbizo conducted successfully in Gauteng.
Positive corporate culture anchored on CETA values, vision and mission and enhanced CETA brand positioning.	Achieved	During strategic session there was a presentation on CETA values, vision and mission, This target is also covered in the induction programme, HR rolled out four CETA values on newsflash.
At least B-BBEE contribution level.	Achieved	A Compliance level was achieved.
At least 51% of procurement spend on black owned entities.	Achieved	So far 51 black companies did business with CETA out of total of 60 companies.
At least 35% of procurement spend on black women owned entities.	Achieved	Black women companies which did business with CETA only 27 out of 60 and small business only 40 out of 60.
At least 51% of discretionary grant allocation on black owned entities.	Achieved	Entities allocation for 2024/25 is 215 in all provinces.
At least 51% women of learners on both CETA DG Funded programmes and industry funded.	Achieved	More than 56% of our learners are females
At least 70% youth of learners on both CETA DG funded programmes and industry funded.	Achieved	More than 91% of our learners are youth target is over achieved
At least 2% disabled of learners on both CETA DG funded programmes and industry funded.	Achieved	Disability still a challenge especially 2% target need new revised target need to be setup or reviewed which is practical and manageable with easy to track during our initial stage of learners applications

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?		
Criteria	**Circle relevant answer**	**Attachment**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law.	**Yes**	During 2024/25 Financial Year CETA was able to conduct industry workshops to NGO, NPO, Co-operatives, SMMEs of more than 200.
Developing and implementing a preferential procurement policy	**Yes**	In implementing procurement policy towards small business, we manage to conduct supplier development workshop of more than 500 suppliers on opportunities available within CETA.
Determining qualification criteria for the sale of state-owned enterprises	**No**	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report.
Developing criteria for entering into partnerships with the private sector	**Yes**	In collaboration with private sector institutions, CETA continued to empower learners through different pathways in the construction sector. 52 TVET Lecturers were given bursaries to further their studies and 20 CET Lecturers were also awarded bursaries. CETA in partnership with University of Free State we are implementing curriculum related studies.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	**Yes**	Through skills centres CETA empowered surrounding communities and small business in creating job opportunities. Successfully CETA conducted Co-operative workshop in the North West Province as part of Enterprise and Supplier Development

REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)

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

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 55 (1) (a) of the Public Finance Management Act and Treasury Regulation 27.1 The Audit and Risk Committee also reports that it 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.

Audit and Risk Committee Composition and Meeting Attendance

The ARC consists of four (4) members: three (3) independent non-executive members and one (1) Accounting Authority member (labour representative). The ARC collectively has a diverse and appropriate mix of qualifications, skills, and experience to fulfill its duties. The ARC convened 11 times during the year, with seven (7) being ordinary meetings and the remainder special meetings.

The management team, representatives from the internal auditors and external auditors attended ARC meetings. The ARC also met with internal auditors, without management being present. The internal and external auditors have unrestricted access to the ARC.

Effectiveness of the internal control systems

The ARC obtains assurance from management, Internal Audit, and external audit on the effectiveness of governance, risk management, and internal controls in the areas of financial management, performance management, compliance management, and information and communication technology (ICT).

Management has made progress in addressing internal control deficiencies previously reported by internal and external audit. However, some weaknesses in the system of internal controls remained during the period under review and were raised with management and the Accounting Authority for corrective action.

The ARC recognizes the growing importance of digitization and the need to operate effectively in an increasingly technology-driven environment. It is of concern that the ICT Governance Framework and Strategy has not been in place for the past two financial years, despite their critical role in guiding digital investment, cybersecurity, system integration, and overall ICT control maturity.

Independant ARC Members



Ms Zelda Tshabalala	Mr Molehe Wesi	Ms Boitumelo Mokgoko
Master of Business Administration	Master of Information Technology ICT Management	BCom Honours Accounting CA(SA)

ARC Attendance Register:

Ordinary meetings attended		
7	7	7
Special meetings attended		
4	4	4

REPORT OF THE AUDIT AND RISK COMMITTEE (continued)

The absence of an approved ICT governance framework poses a significant organizational risk, including:

- Fragmented or misaligned ICT investments,
- Lack of digitized records management,
- Increased vulnerability to cyber threats and data breaches,
- Weak oversight of ICT service delivery and contracts,
- Inadequate support for key digital initiatives such as performance reporting, compliance systems, and finance systems.

Therefore, the ARC urges management to prioritize the finalization and implementation of the ICT Governance Framework and Strategy and to ensure adequate capacity and resources are allocated to strengthen ICT governance, improve service delivery, and align CETA with evolving digital public sector standards.

Effectiveness of the Internal Audit Function

The entity's Internal Audit function is outsourced and was operational for the entire period under review. The function operates independently, and the ARC monitored its objectivity throughout the period. The ARC confirms that Internal Audit followed a risk-based approach, incorporating management's risk assessment and strategic risks to inform its audit coverage plan.

All Internal Audit plans and reports submitted during the period under review were considered and reviewed by the ARC. The ARC is satisfied that the Internal Audit function provided reasonable assurance and took steps to address the risks pertinent to the organization. Based on the entity's risk profile, the ARC's review of the findings from Internal Audit work revealed control weaknesses in certain areas. These were raised with management and the Accounting Authority, with appropriate action plans required for follow-up.

To strengthen internal audit capability and improve internal coordination, the entity appointed a Manager for internal audit coordination, effective March 2025. The decision to fill this role was driven by the need to:

- Enhance the oversight and integration of the outsourced function.
- Improve the internal interface between CETA and the external audit service provider.
- Ensure timely implementation and tracking of Internal Audit recommendations.
- Facilitate continuous risk monitoring and alignment of Internal Audit coverage with emerging organizational priorities.

The ARC welcomes this appointment as a positive development towards enhancing the effectiveness, responsiveness, and institutional memory of the Internal Audit function.

Activities of the Internal Audit Function

In line with the approved risk-based Internal Audit Plan for the 2024/2025 financial year, the following Internal Audit work was undertaken:

- Corporate Governance Review
- Supply Chain and Contract management Review
- Information Technology General Controls & Applications Control Review
- Audit of Performance Information
- Review of Q3 and Annual Financial statements
- Discretionary Grants Review - Review of Standard Operating Procedures, process and set actions to resolve Audit Qualification
- Human Resources Practices Review
- Follow Up of Critical and Significant Internal and External Audit findings

The Internal Audit activities conducted during the reporting period revealed several control weaknesses across key functions. Notably, weaknesses were identified in Supply Chain and Contract Management, including misaligned and outdated registers, unsigned contracts, and non-compliance with procurement protocols. The SAGE financial system lacked documented standard operating procedures and clear user role segregation.

The Discretionary Grants Commitment Register presented significant concerns, with the majority of projects recorded as "not contracted," and processes for maintenance and reporting remaining informal. Performance information reporting also suffered from data inconsistencies, misaligned targets, and delayed submission of supporting documents.

These findings indicate partially effective control environments in need of enhancement. Management has committed to addressing the issues raised, with timelines and oversight mechanisms in place to track implementation.

Effectiveness of Risk Management

The ARC is responsible for oversight of risk management. The ARC confirms that the Accounting Authority has adopted a Risk Management Framework, Risk Management Policy, and a Fraud Prevention Policy, which collectively guide the organisation's approach to identifying, assessing, and responding to risk.

REPORT OF THE AUDIT AND RISK COMMITTEE (continued)

The ARC received quarterly risk management reports from the Risk Management Unit, which outlined the status of strategic and operational risks, mitigation actions, and residual risk ratings. The risk management processes, and their implementation are also subject to independent review by Internal Audit as part of their annual audit coverage.

While foundational policies and structures are in place, the ARC has noted that aspects of CETA's risk management maturity require improvement. Key areas include the integration of risk management into performance planning, ICT governance, and project delivery. The ARC has made recommendations to management to enhance the effectiveness and maturity of the risk function. Furthermore, the ARC reviewed risks in relation to the following key oversight areas:

- The adequacy, reliability, and accuracy of financial and performance information submitted to oversight structures.
- Accounting and auditing concerns identified through internal and external audit processes.
- Compliance with legal and regulatory provisions, including PFMA, Treasury Regulations, and DHET reporting requirements; and
- The quality and timeliness of in-year management reports, including quarterly reports required by legislation.

The ARC will continue to monitor progress on strengthening risk culture, improving risk ownership at all levels, and ensuring the alignment of risk management with organisational objectives and assurance activities.

Combined Assurance

The ARC continued to oversee the implementation and effectiveness of the Combined Assurance Framework during the period under review, in line with the King IV™ principles and the CETA Combined Assurance Strategy.

CETA's Combined Assurance Framework seeks to optimise assurance activities across governance, risk management, and internal control functions through improved coordination and reduced duplication among assurance providers. Although the framework provides for an Assurance Committee to consolidate and coordinate assurance inputs, this structure is not yet operational. In practice, assurance is provided through direct quarterly reporting by the key internal functions to the ARC.

The following assurance providers reported directly to the ARC during the year under review:

- **Risk Management:** Provided quarterly reports on the status of strategic, operational, and emerging risks, key control weaknesses, and progress on mitigation plans. Risk also led the mapping of assurance activities to high-risk areas.

- **Monitoring and Evaluation (M&E):** Submitted quarterly reports tracking performance against strategic indicators and highlighted areas requiring management intervention and improvements in data quality and compliance with standard operating procedures.

- **Internal Audit:** Provided independent and objective assurance on the effectiveness of internal controls, governance processes, and risk management, in line with the approved Internal Audit plan. Internal Audits also reported on audit outcomes covering first- and second-line functions.

- **External Audit:** The Auditor-General of South Africa (AGSA) conducted the external audit and engaged with the ARC on audit findings, internal control observations, and the audit opinion.

While the formal Internal Assurance Committee structure is not yet implemented, the ARC ensured coordination through integrated oversight of these reporting lines. However, the ARC noted challenges relating to the late submission of quarterly reports by some assurance providers, which impacts the timeliness and effectiveness of oversight. The ARC has emphasised the need to strengthen reporting discipline and ensure adherence to reporting timelines across all assurance functions.

The ARC continues to advocate for the progressive operationalisation of the full Combined Assurance Framework as per the CETA Strategy, with improved coordination, timely reporting, and consolidation of assurance activities to strengthen the overall control environment.

Evaluation of the annual financial statements

The ARC reviewed the Annual Financial Statements (AFS) for the year ended 31 March 2025, as prepared by management and submitted for audit in accordance with the Public Finance Management Act (PFMA) and the Standards of Generally Recognised Accounting Practice (GRAP).

REPORT OF THE AUDIT AND RISK COMMITTEE (continued)

The ARC engaged with both management and the Auditor-General of South Africa (AGSA) to consider the financial reporting process, including adjustments made during the audit. The ARC noted that the AFS were prepared in line with the GRAP framework and that management had incorporated recommendations from both internal and external audit.

Following its review, the ARC is satisfied that the AFS fairly present the financial position and performance of the CETA.

External Audit

In line with its responsibilities as set out in the ARC Charter, the ARC maintained oversight of the external audit process conducted by the Auditor-General of South Africa (AGSA). The ARC reviewed the external audit plan to ensure it adequately addressed CETA's high-risk areas and that sufficient audit coverage was achieved. The independence and objectivity of the AGSA were noted, and no concerns were raised in this regard.

Throughout the year, the AGSA participated in ARC meetings as a standing invitee, providing updates on audit progress and engaging with both management and the ARC on key issues. The ARC held dedicated sessions to review the outcomes of the external audit, assess the quality of the financial disclosures, and discuss any unresolved matters or significant audit findings. Where applicable, disagreements between management and the auditors were constructively resolved, however the ARC remains concerned of the strained relationship between management and AGSA, and this another matter of focus for the incoming ARC.

The ARC also ensured that the AGSA had unrestricted access to both the Chairperson and the Accounting Authority, in line with good governance practice. The ARC continues to monitor the implementation of management's audit action plans and remains committed to strengthening financial governance and audit readiness across CETA's operations.

Auditor-General's Report

While we acknowledge the collaborative efforts and open dialogue between the Auditor-General's team and management, we note that management raised certain points of contention regarding specific findings emanating from the audit process. These points were duly considered, and the ARC facilitated constructive discussions to address all perspectives.

Continuous oversight will be exercised by the ARC to monitor the resolution of any outstanding matters, ensuring adherence to high standards of accountability and transparency. The incoming ARC should continue working alongside both management and the Auditor-General to resolve any remaining issues and uphold the integrity of our financial reporting processes.

The ARC accepts the conclusions of the Auditor General on the Annual Financial Statements and should be considered alongside the auditor's report.

Appreciation

The ARC concluded its term of office on 31 July 2025. A new Audit and Risk Committee will be appointed in due course, and the process for reconstitution is currently underway.

The ARC notes, with concern, the current governance gap arising from the absence of a duly constituted Accounting Authority and the associated separation of duties risk, whereby the Chief Executive Officer is simultaneously exercising the powers of the Accounting Authority. While this arrangement has ensured operational continuity, it does not align with sound governance principles and poses a risk of limited independent oversight over executive decisions. The incoming ARC is encouraged to monitor this matter closely and engage relevant stakeholders to support the restoration of appropriate governance structures.

The ARC extends its sincere appreciation to the Accounting Authority, Chief Executive Officer, Management team, Secretariat, Internal Audit, and the Auditor-General of South Africa for their cooperation and support in enabling the ARC to fulfil its mandate as outlined in the ARC Charter. It is through these collaborative efforts that the ARC has been able to exercise effective oversight over key risk, control, and compliance matters during its term.

Ms Zelda Tshabalala
Chairperson of the Audit Committee

D HUMAN RESOURCES

HUMAN RESOURCES

NURTURING WORKPLACE ENVIRONMENT WHERE TALENT THRIVES AND EMPLOYEES ARE VALUED

At its core, the HRM Department is dedicated to creating a nurturing workplace environment where talent thrives and employees are valued as the organisation's most valuable asset.

In alignment with the CETA's overarching goals, the HRM department serves as a strategic partner to the organisation, orchestrating a spectrum of Human Resources (HR) programmes crafted to attract, develop, retain, and engage a diverse and proficient workforce.

By prioritising these efforts, the CETA aims to solidify its place as one of the preferred employers within its sector, distinguished by its commitment to fostering a culture of inclusivity, innovation, and professional growth.

HR Influence

Within the realm of human resource management, the HRM Department shoulders a multifaceted array of responsibilities. From meticulously orchestrating workforce planning endeavours encompassing recruitment and selection processes to championing initiatives aimed at promoting employee wellness and cultivating a conducive work environment, the department's influence permeates every facet of the employee experience.

Moreover, the HRM Department is at the forefront of driving learning and development initiatives, facilitating training programs tailored to enhance employee competencies and foster continuous growth.

The department, working with management, aims to cultivate positive employee relations, to foster an atmosphere of mutual respect, trust, and collaboration between the organisation and its workforce. This is an ongoing endeavour of the organisation.

Operational efficiency and effectiveness are further bolstered by the HRM Department's keen attention to HR service delivery, ensuring seamless administration and benefits management.

Steadfast Dedication

Through performance management processes and initiatives, the department continuously evaluates and refines employee performance, driving organisational excellence and individual achievement. Recognising and rewarding employee contributions lies at the heart of the HRM Department's ethos, with programmes designed to acknowledge and celebrate achievements, thereby nurturing a culture of appreciation and motivation.

As the custodian of the organisation's Human Capital Strategy, the HRM Department remains steadfast in its commitment to advancing the CETA's mission and vision.

From its main head office in Midrand, Gauteng, to its sprawling network of provincial and regional offices spanning all nine provinces, the CETA's commitment to excellence in human resource management remains unwavering, underpinned by the steadfast dedication and expertise of its Human Resources Management Department.

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by Programme/ Activity/ Objective

Programme/activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	264 282	78 701	44%	54	1 457
Research, Planning and Reporting	83 559	4 789	3%	4	1 197
Learning Programmes and Projects	551 274	75 737	43%	56	1 352
Quality Assurance	137818.4	18 068	10%	13	1 390
TOTAL	1 036 933	177 295	100%	127	1 396

HUMAN RESOURCES (continued)

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of personnel exp.to total personnel cost(R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	9 598	5%	3	3 199
Senior Management	27 066	15%	10	2 707
Professional qualified	46 679	26%	21	2 223
Skilled	57 203	32%	44	1 300
Semi-skilled	33 179	19%	3	772
Unskilled	3 570	2%	6	595
TOTAL	177 295	100%	127	1 396

**Temps, Fixed term, interns excluded from total employees but included in the total cost expenditure*

Performance Rewards

Programme/activity/ objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	1 985	9 598	21%
Senior Management	4 298	27 066	16%
Professional qualified	3 542	46 679	8%
Skilled	2 489	57 203	4%
Semi-skilled	1 790	33 179	5%
Unskilled	132	3 570	4%
TOTAL	14 236	177 295	8%

Training Costs

Programme//activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Training and bursaries	1 036 933	233 890	23%	39	
Non-credit bearing training					
TOTAL-	1 036 933	233 890	23%	39	

HUMAN RESOURCES (continued)

Employment and Vacancies

Salary Band	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	4	3	1	25%
Senior Management	12	10	2	16.7%
Professional qualified	32	21	11	34.4%
Skilled	56	44	12	21.4%
Semi-skilled	61	43	18	29.5%
Unskilled	13	6	7	53.8%
TOTAL	**178**	**127**	**51**	**28.7%**

The figures exclude temps, interns and fixed term not on the organogram

Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	1	0	3
Senior Management	8	2	0	10
Professional qualified	20	3	2	21
Skilled	45	0	1	44
Semi-skilled	40	3	0	43
Unskilled	6	0	0	6
TOTAL	**121**	**9**	**3**	**127**

The figures exclude temps, interns and fixed term not on the organogram

Reasons for Staff Leaving

Reason	Death	Resignation	Dismissal	Retirement	Ill health	Expiry of contract	Other	TOTAL
Number	–	2	1	–	–	-	–	**3**

Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Verbal Warning	Written Warning	Final Written Warning	Dismissal
Number	–	1	–	1

HUMAN RESOURCES (continued)

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloureds		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	1	0	0	0	0
Senior Management	3	0	0	1	0	1	0	1
Professional qualified	8	0	0	2	0	2	0	1
Skilled	18	0	1	4	0	2	0	1
Semi-skilled	9	0	1	4	0	4	0	2
Unskilled	2	0	0	0	0	0	0	0
TOTAL	**42**	**0**	**2**	**12**	**0**	**9**	**0**	**5**
Levels	**FEMALE**							
	African		Coloureds		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	1	0	0	0	0
Senior Management	6	0	0	0	1	0	0	0
Professional qualified	13	0	0	1	0	0	0	0
Skilled	23	0	1	1	1	1	1	1
Semi-skilled	28	0	4	0	0	0	0	0
Unskilled	4	0	0	0	0	0	0	0
TOTAL	**75**	**0**	**5**	**3**	**2**	**1**	**1**	**1**

Disabled Staff

Levels	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	1	0	2	0
Unskilled	0	0	0	0
TOTAL	**1**	**0**	**2**	**0**

E

PFMA COMPLIANCE REPORT

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Irregular Expenditure

Reconciliation of irregular expenditure		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Opening Balance	871 340,00	859 336,00
Add: Irregular expenditure confirmed	63,00	12 263,00
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-259,00
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing Balance	**871 403,00**	**871 340,00**

*Included in the total current financial year irregular expenditure confirmed is an amount of R63 000 for 2024/25 due to multi year contract entered into and confirmed to be irregular expenditure. The above disclosure of irregular expenditure has been made in terms of the PFMA Compliance and Reporting Framework Instruction No 4 of 2022/23.

a) Reconciling notes to the annual financial statement disclosure		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Irregular expenditure that was under assessment in 2023/24	-	6 458,00
Irregular expenditure that relates to 2023/22024 and identified in 2024/2025	-	-
Irregular expenditure for the current year	63,00	5 546,00
Total	**63,00**	**12 004,00**

"The Irregular expenditure incurred in the current year amounting to R 63 000 as a result of multi year contract confirmed as Irregular."

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Irregular expenditure under assessment	72 422,00	-
Irregular expenditure under determination	0	-
Irregular expenditure under investigation	29 948,00	30 633,00
Total	**102 370,00**	**43 140,00**

"The above incidents of irregular expenditure relating to prior years amounting to R 29 948 000 has been investigated and recomended for condonation to National Treasury. The following incidents of irregular expenditure R72 422 000 are under assessment as a result of findings raised during the 2024/25 financial year audit."

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES (continued)

c) Details of current and previous year irregular expenditure condoned		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Irregular expenditure condoned	-	-
Total	**-**	**-**

d) Details of current and previous year irregular removed - (not condoned)		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Irregular expenditure NOT condoned and removed	-	-259
Total	**-**	**-259**

*The forensic investigations conducted confirmed that transactions previously disclosed as irregular expenditure and incorrect resulting in a adjutsment of prior period error correction and removed from irregular expenditure disclosed.

e) Details of current and previous year irregular expenditure recovered		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Irregular expenditure recovered	-	-
Total	**-**	**-**

The CETA is still in a process of investigations of Fruitless and wasteful expenditures disclosed and when concluded the recommendations are going to guide a way forward.

f) Details of current and previous irregular expenditure written off (irrecoverable)		
Description	**2024/2025 R'000**	**2023/2024 R'000**
Irregular expenditure written off	-	-
Total	**-**	**-**

g) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure		
Description	**2024/2025 R'000**	**2023/2024 R'000**
N/A	-	-
Total	**-**	**-**

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES (continued)

Fruitless And Wasteful Expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2024/2025 R'000	2023/2024 R'000
Opening Balance	26 355,00	26 355,00
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure condoned and removed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recovered and written off	-	-
Closing Balance	**26 355,00**	**26 355,00**

*No Fruitless and Wasteful expenditure incurred in the financial year. The incidents identified are under assessment and disclosed as such.

Reconciling notes to the annual financial statement disclosure

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

a) Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure under assessment	582,00	339,00
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**582,00**	**339,00**

The EMP 501 declaration submitted in May 2024, resulted in penalties and interest for possible declaration that were not submitted during the year.

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IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES (continued)

b) Details of current and previous year Fruitless and wasteful expenditure written off

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

c) Details of current and previous year irregular removed - (not written off)

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure NOT written off and removed	-	-
Total	**-**	**-**

The CETA is in the process of launching investigations for Fruitless and wasteful expenditure.

d) Details of current and previous year Fruitless and wasteful expenditure recovered

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure recovered	-	-
Total	**-**	**-**

The CETA is still in a process of investigations of Fruitless and wasteful expenditures disclosed and when concluded the recommendations are going to guide a way forward.

e) Details of current and previous Fruitless and wasteful expenditure written off (irrecoverable)

Description	2024/2025 R'000	2023/2024 R'000
Fruitless and wasteful expenditure written off	0	-
Total	**-**	**-**

The investigation performed concluded that the fruitless and wasteful expenditure incurred and written-off is irrecoverable.

f) Details of current and previous year disciplinary or criminal steps taken as a result of Fruitless and wasteful expenditure

Description	2024/2025 R'000	2023/2024 R'000
	-	-
Total	**-**	**-**

LATE AND/OR NON-PAYMENT OF SUPPLIER

Description	Number of invoices	Consolidated Value R'000
Number and rand value of all valid invoices received;	17360	952 687 663,62
Number and rand value of all invoices paid within 30 days or within the agreed period with the supplier;	16056	915 478 136,24
Number and rand value of all invoices paid after 30 days or later than the period agreed with the supplier for the year;	1304	37 209 527,38
Number and rand value of all invoices that are older than 30 days or in excess of the period agreed with suppliers, which remain unpaid and where such invoices are without dispute with suppliers;	62	2 272 416,32
Number and rand value of all invoices that are older than 30 days or in excess of the period agreed with suppliers, which remained unpaid and where such invoices are in dispute with suppliers for the year; and	2 101	40 315 407,51

A narrative indicating reasons for the late and/or non-payment of invoices, including reasons for invoices that are in dispute, where applicable.
Some service providers did not provide banking details which delayed the payment of those invoices.
Some service providers did not provide compliant invoices, some did not provide sufficient supporting documents for processing of payment (reports, registers, attendance registers etc) and some did not submit their claims timely for payment.

SUPPLY CHAIN MANAGEMENT

Deviation

Project Description	Name Of Supplier	Type Of Procurement By Other Means	Contract Number	Value Of Contract R'000
Appointment of Legal Support	SM Vakalisa INC Attorney's	Deviation from the normal process	n/a	Rate based
Procurement of renewal caseware license	Adapt IT (Pty) Ltd	Deviation from the normal process	n/a	612
Procurement of security services	Mphosha Security Services	Deviation from the normal process	n/a	659
Indicium Management Information System to act as a Learning Management, supply of Discretionary Grants application and processing module for the 2024/25 window period.	Solugrowth	Deviation from the normal process	n/a	3 144
Repair door frames and Assess Electric wiring in the CETA head office	Empowercon Holding	Deviation from the normal process	n/a	350
Retrieve data from cameras and installation of new cameras.	Buffalo Protection Service	Deviation from the normal process	n/a	287
The appointment of a law firm for the urgent application to the High Court.	Poswa Incorparated	Deviation from the normal process	n/a	Rate based
The appointment of a law firm for the urgent application to the Labour Court.	Poswa Incorparated	Deviation from the normal process	n/a	Rate based
Repair roof leaks at the CETA head office building	Phumaphi Holdings	Deviation from the normal process	n/a	546
Investigation into information Leakage	Forensic Worx	Deviation from the normal process	n/a	Rate based
Total				**2454**

SUPPLY CHAIN MANAGEMENT (continued)

Deviation

Project Description	Name Of Supplier	Contract Modification Type (Expansion Or Variation)	Contract Number	Original Contract Value R'000	Value Of Previous Contract Expansion(S) Or Variation(S) (If Applicable) R'000	Value Of Current Contract Expansion Or Variation R'000
Appointment of atleast 5GB CIDB registered contractor for the construction of skill development Centre in the KZN Ingwavuma	Tinsimbi - Mcebo JV	Expansion	BID No: 06-2021/22	9 467	n/a	8 528
"Appointment of a Media Specialist to craft CETA Media Strategy and for Media Placements"	Mukona Training and Consulting	Variation	Bid No: 03-2021-2022	5 000	n/a	750
Provision of employee wellness services	Workforce Healthcare	Variation	Bid No: 043-2021-22	491	n/a	45
Appointment for your company to provide online travel management services	Gemini Moon Trading 7 (Pty) Ltd T/A XL Nexus Travel	Variation	RFQ:023-2023/2024	1 000	n/a	100
provision of security services for CETA head office	Mphosha Security Services	Variation	n/a	659	n/a	220
Provision of Managed ICT Services	V2 Digital (Pty) Ltd	Variation	RFQ No: 044-2023-2024	987	n/a	987
Appointment of service provider for post organisational support	Phulo Consulting Services (Pty) Ltd	Variation	BID No: 001-2023/24	1 824	n/a	690
Provision of risk Management Training and strategic risk workshops	Smelokuhle Projects Consultant (Pty) Ltd	Variation	RFQ No: 011-2024-25	158	n/a	extended the duration
Provision of cleaning and hygiene related services	Delta Facility Management (Pty) Ltd	Variation	BID No: 037-2020-2021	762	n/a	114
Comprehensive Insurance Services	African Dawn Risk Solutions (Pty) Ltd	Expansion	Bid No: 002-2023-2024	2 824	n/a	239
Facility Management Support Services	Jerora Group	Variation	RFQ No: 002-2024-2025	1 000	n/a	149
Provision of ICT Managed Services	Kyxis Technologies	Variation	RFQ: 054-2024/2025	890	n/a	134
Total				**3 947**		**3 428**

F FINANCIAL INFORMATION

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The institute remind us that of the oversight function of non-executive directors and the need for them to be both assertive, providing independent oversight and constructive challenge to ensure an organisation's long-term health and ethical conduct.

The PFMA requires the board and CETA management to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report.

It is the responsibility of the board to ensure that the Annual Financial Statements (AFS) fairly present the state of affairs of the CETA as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The AFS have been prepared in accordance with Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The board acknowledge that they are ultimately responsible for the system of internal financial control established by the CETA and place considerable importance on maintaining a strong control environment.

To enable the board to meet these responsibilities, it sets standards for internal controls aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the CETA, and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management within the CETA is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviours are applied and managed within predetermined procedures and constraints.

The board is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the AFS.

However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The board has reviewed the CETA's cash flow forecast for the year to 31 March 2026 and in the light of this review and the current financial position, they are satisfied that the CETA has or has access to adequate resources to continue in operational existence for the foreseeable future.

The AGSA is responsible for independently auditing and reporting on the entity's Annual Financial Statements and performance.

The AFS set out on pages 108 to 163, which have been prepared on the going concern basis, were approved by the board on 31 May 2025 and were signed on behalf of the Accounting Authority by:

Mr. Oupa Nkoane
CETA Administrator

CHIEF FINANCIAL OFFICER'S OVERVIEW

"Strategy requires thought, tactics require observation."

– MAX EUWE.

Mr Sanele Radebe
Acting Chief Financial Officer

Revenue

Despite economic challenges experienced by the construction sector during the pandemic and the slow pace of recovery exacerbated by ongoing loadshedding, increases in material and labour costs, logistics disruptions, labour shortages, lack of access to funding and slow technology uptake, our ability to collect revenues has not been significantly impacted. Total revenue grew by R86 million (11%) compared to the prior year.

Income From Levies

The significant contributor in the overall favourable movement has been income from levies which grew by R94 million from R687 million owing to increased by payers due to a current and forecasted growth in the construction sector.

CHIEF FINANCIAL OFFICER'S OVERVIEW (continued)

Other economic factors that led to the increase in levy revenue included the launch of the fifth phase of the Expanded Public Works Programme (EPWP) seen as the catalyst for construction growth.

Deficit

The significant contributor to the deficit is due to the increased spending on discretionary grant projects, which positively led to the CETA achieving an improved performance for the 2024/25. Overall, administration costs slightly increased from the prior period, which is in line with the economic outlook and the needs of the organisation.

Staff Costs

Staff costs increased from the prior period owing to the filling of vacancies organisationally to fulfill the mandate of the CETA.

Staff costs remain a significant expenditure line item, and that will be monitored contextually without compromising the achievement of the organisation's strategic objectives through incapacitating needy business units.

Reserves And Liquidity

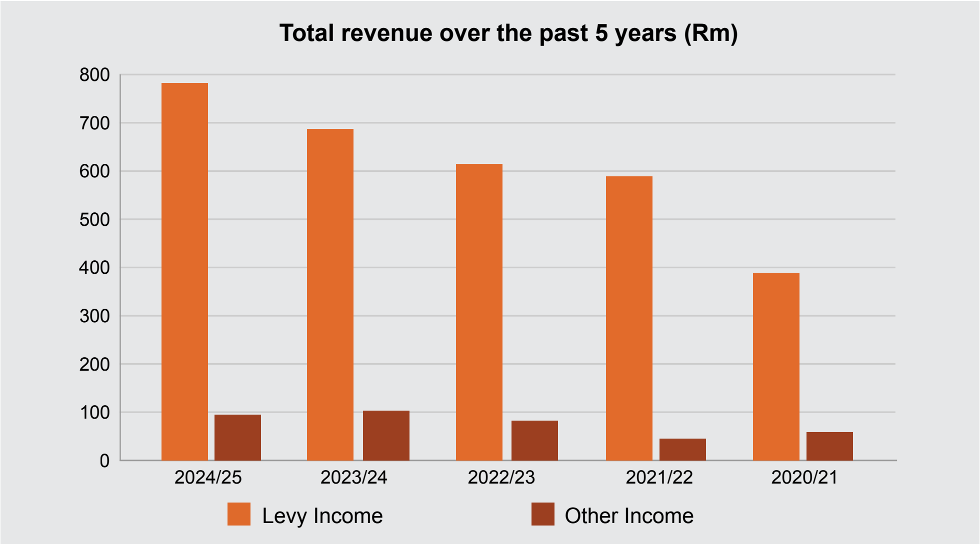
The CETA has agreed to performance targets as part of its Service Level Agreement with DHET, which aims at reaching the targets set in terms of the National Skills Development Strategy IV.

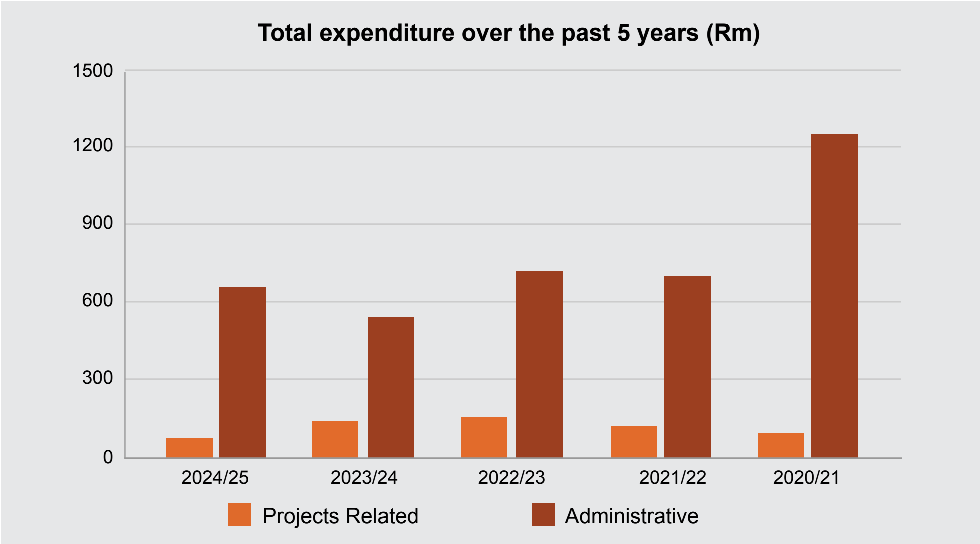
The national skills development strategy requires funding of a variety of projects or incentives which span over multiple years, and as such it is necessary to allocate funding in the current year, which will only be contracted and/or committed and spent over a long period of time.

Bank Balance

The CETA has a bank balance of R1 billion during the financial year ending 31 March 2025 and has requested approval to retain the existing reserve to fund the discretionary grant commitment of R2.7 billion. This request is mainly due to the following reasons:

- It is not possible to determine the exact amount of available funding due to significant uncertainty and the timing of future levy receipts;





CHIEF FINANCIAL OFFICER'S OVERVIEW (continued)

- It is not possible to determine exact employer participation learnership uptake etc. in the various projects/initiatives, although every effort is made to plan and research appropriately and
- Some of the unspent funds are due to a backlog in payments, and this could be caused by the late submission of project claims by the entities.

Progress On Institutional Impacts

There has been notable growth in the construction sector compared to the prior years and forecasts are also indicating a significant surge in growth in South Africa, and is singled out as one of the sectors showing progressive/promising activity.

Following years of underinvestment in infrastructure and grappling with the impact of a high-interest rate environment, the construction industry in the country witnessed a notable surge in activity throughout 2024

A progressive, inclusive and transparent construction sector that is filled with competent, suitably qualified and skilled work force is an imperative in reducing youth unemployment, encouraging investment, supporting small and medium-sized enterprises, and changing attitudes in technology uptake.

It is on this basis that the CETA has continued to show improvement over the past years as indicated below:

Mr Sanele Radebe
Acting Chief Financial Officer

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Construction Education and Training Authority (CETA) set out on pages 108 to 163, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the CETA 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), the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for qualified opinion

Discretionary grants commitment

3. I was unable to obtain sufficient appropriate audit evidence that discretionary grants commitment for the current and previous year had been properly accounted for due to the status of the accounting records. In addition, I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for discretionary grant commitments. As described in note 32 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by adequate supporting audit evidence.
4. Furthermore, the entity did not provide sufficient appropriate audit evidence to support the validity of some discretionary grant approvals made during the current year. I was unable to confirm these new approvals to the discretionary grants commitments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to discretionary grants commitment, stated at R2 717 million (2024: R1 696 million) in note 23.1 to the annual financial statements.

Discretionary grant expenses

5. Discretionary grant core expenses were not accounted for in accordance with the requirements of GRAP 1 – Presentation of Financial Statements, as transactions were recorded in the incorrect financial periods. Consequently, the discretionary grant core expenses disclosed in note 19 to the financial statements were misstated by R21 million (2024: R30 million) and the payables from non-exchange transactions were also misstated by the same amounts in the respective periods. This also had an impact on the surplus for the period and on the accumulated surplus. Furthermore, the disclosure of the prior period error of R21 million in note 32 to the financial statements was also misstated, as these corrections were not properly accounted for.
6. In addition, I was unable to obtain sufficient appropriate audit evidence for discretionary grant core expenditure due to a lack of adequate supporting documentation. I was unable to confirm these amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to discretionary grant core expenditure stated at R657 million in note 19 or property, plant and equipment stated at R62 million in note 8 to the financial statements, as some of this expenditure is capital in nature.

Payables from non-exchange transactions

7. The entity did not accrue for discretionary grant expenditure, as required by GRAP 19 – Provisions, contingent liabilities and contingent assets. As a result, accrued expenses – projects and discretionary grant core expenditure – disclosed in notes 11 and 19 to the financial statements, respectively, were understated by R30 million (2024: R22 million). Consequently, in both years, the discretionary grants commitment disclosed in note 23.1 was overstated by the same respective amounts. There was also an impact on the surplus for the period and the accumulated surplus.
8. Furthermore, the disclosure of the prior period error of R40 million in note 32 to the financial statements was also misstated, as these corrections were not properly accounted for.

Provisions

9. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for the discretionary provision in accordance with GRAP 19 – Provisions, contingent liabilities and contingent assets. This was due to the status of the accounting records, as the discretionary provision was not supported by adequate evidence. I was unable to confirm this discretionary provision by alternative means. Consequently, I was unable to determine whether any adjustment to the discretionary provision, stated at R32 million in note 12, and discretionary grant core expenditure stated at R657 million in note 19 to the annual financial statements was necessary.

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY (continued)

Irregular expenditure

10. The irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 55(2)(b)(i) of the PFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year, as it was impracticable to do so.

Context for opinion

11. 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.
12. 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.
13. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

15. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting authority for the financial statements

16. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. 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

18. 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.
19. 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 on page 105, forms part of my auditor's report.

Report on the audit of the annual performance report

20. 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.
21. 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

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY (continued)

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, planning and reporting	42 to 43	To ensure a credible mechanism for skills planning and reporting in the construction sector.
Programme 3: learning programmes and projects	44 to 56	To address skills priorities within the construction sector.

22. 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.
23. 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.

24. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
25. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.
28. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 44 to 56.

Programme 3: learning programmes and projects

Targets achieved: 98%
Budget spent: 82%

Key service delivery indicator not achieved	Planned target	Reported achievement
3.8. Number of employed learners per year completing skills programmes (funded)	395	47

Material misstatements

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

Report on compliance with legislation

30. 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.
31. 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.

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY (continued)

32. 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.
33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

34. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.
35. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided, resulted in the financial statements receiving a qualified opinion.

Consequence management

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

Expenditure management

37. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. As reported in the basis for the qualified opinion, the value disclosed in note 25 of the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with the PFMA and treasury regulations.

Procurement and contract management

38. Some of the goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids or deviations were approved by the accounting authority, but it was practical to invite competitive bids, as required by treasury regulation 16A6.1, paragraph 3.3.1 of NTI 02 of 2021/22, paragraph 4.1 of NTI 03 of 2021/22 and TR 16A6.4.

Other information in the annual report

39. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
40. 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.
41. 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.
42. 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

43. 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.
44. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
45. The entity lacked a structured mechanism to design, implement, and track corrective actions for previously identified control weaknesses and findings. This resulted in unresolved deficiencies being carried forward from the previous year, and still remains unresolved.
46. Inadequate systems for maintaining records led to delays and gaps in the availability of critical supporting information, undermining both the reliability and integrity of the financial reporting process.

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY (continued)

47. Weaknesses in transaction processing and reconciliation procedures were evident, as routine financial activities were not consistently controlled; this resulted in undetected errors and irregularities.
48. Financial reporting processes were deficient, with reports being produced without sufficient, accurate, and complete corroborating evidence, which diminished their usefulness for decision-making and oversight.
49. Oversight mechanisms were ineffective, as significant errors and misstatements in the financial statements went undetected, reflecting poor monitoring of compliance and weak governance over financial management.
50. Monitoring of legislative compliance was inadequate, as repeated contraventions of applicable laws and regulations were identified, highlighting an absence of effective review processes and accountability structures.

Material irregularities

51. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Paying for a project that did not yield the intended benefits

52. The entity appointed a service provider to implement a construction artisan's project, which was operational between October 2020 and 31 December 2021, at a contractual value of R85 million. An implementing agent was appointed. The service provider was required to create a database of qualified construction workers in all nine provinces and conduct training-related services. However, by 31 December 2021, the project failed to meet its objectives, and as a result, the entity decided to discontinue the project.
53. As at 31 December 2021, the entity had incurred expenses amounting to a total of R15 748 750 on the project. This expenditure, however, did not yield the intended benefits and thus the resources of the CETA were not utilised economically, as required by section 57(b) of the PFMA.
54. The non-compliance is likely to result in a material financial loss if the amounts paid are not recovered.
55. I notified the accounting authority of the material irregularity on 17 July 2023 and invited the accounting authority to make a written submission on the actions taken and those that would be taken to address the matter.
56. The public entity appointed a firm to investigate the matter. The forensic investigation commenced in October 2023 but was delayed, and a final report was only completed in July 2024.
57. I determined that the accounting authority is not taking appropriate action to resolve the material irregularity.
58. I recommend that the accounting authority take the following further actions to address the material irregularity, which should be implemented by 17 February 2026:
    - The financial loss, as it relates to the overpayment, should be reliably quantified.
    - All persons, including juristic persons, liable for the financial loss should be identified and appropriate action should commence to recover the financial loss suffered. The recovery process should not be unduly delayed.
    - Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation found to be responsible, as required by section 51(1)(e) of the PFMA.

Auditor-General
Pretoria
11 September 2025

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:
- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.
Financial statements

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

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, paragraphs or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4); Section 54(2)(c); 54(2)(d); Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1) Section 57(b) Section 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2 Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a);30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.2.1;31.2.5; 31.2.7(a); Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c) Regulation 33.1.1; 33.1.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No 5 of 2020/21	Paragraph 4.8; 4.9 Paragraph 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS (continued)

The selected legislative requirements are as follows:

Legislation	Sections, paragraphs or regulations
National Treasury SCM Instruction No. 3 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17 Paragraph 7.2;7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1 Paragraph 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 Section 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Notes	31 March 2025 R '000	31 March 2024 Restated* R '000
Assets			
Current Assets			
Consumables	4	527	482
Receivables from exchange transactions	5	2 530	4 277
Receivables from non-exchange transactions	6	22 538	20 292
Cash and cash equivalents	7	1 018 176	1 127 726
		1 043 771	**1 152 777**
Non-Current Assets			
Property, plant and equipment	8	62 100	14 712
Intangible assets	9	8 523	9 371
		70 623	**24 083**
Total Assets		**1 114 394**	**1 176 860**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	20 726	16 904
Payables from non-exchange transactions	11	207 803	153 173
Provisions	12	73 615	34 340
Total Liabilities		**302 144**	**204 417**
Net Assets		**812 250**	**972 443**
Reserves			
Administration reserves		70 623	24 083
Employer grant reserves		-	998
Discretionary grant reserves		741 627	947 362
Total Net Assets		**812 250**	**972 443**

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CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	31 March 2025 R '000	31 March 2024 Restated* R '000
Revenue			
Revenue from exchange transactions			
Other income	13	242	37
Interest received	14	78 761	87 172
Total revenue from exchange transactions		**79 003**	**87 209**
Revenue from non-exchange transactions			
Transfer revenue			
Levies	15	781 752	687 433
Fines, Penalties and Forfeits	16	14 056	13 657
In-Kind contributions - Facilities	24	1 685	1 659
UIF Projects Income	13	248	366
Total revenue from non-exchange transactions		**797 741**	**703 115**
Total revenue		**876 744**	**790 324**
Expenditure			
Employee related costs	17	(179 528)	(143 032)
Depreciation and amortisation	18	(6 143)	(6 318)
Debt Impairment	33	-	(112)
Discretionary grant expenses	19	(689 092)	(452 573)
Employer grant expenses	19	(83 559)	(88 572)
Administration expenses	20	(78 611)	(72 567)
Total expenditure		**(1 036 933)**	**(763 174)**
Surplus /(Deficit) for the Year		**(160 189)**	**27 150**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

STATEMENT OF CHANGES IN NET ASSETS

	Administration Reserves R '000	Employer Grant Reserves R '000	Discretionary Grant Reserves R '000	Total Net Reserves R '000
Opening balance as previously reported	28 689	1 077	920 285	950 051
Prior year adjustments* Note 32	-	-	(4 758)	(4 758)
Restated* Balance at 1 April 2023	**28 689**	**1 077**	**915 527**	**945 293**
Net Surplus/(Deficit) for the period*	(125 800)	81 718	92 886	48 804
Prior year adjustments* Note 32	-	-	(21 654)	(21 654)
Transfer to reserves	121 194	(81 797)	(39 397)	-
Total changes	(4 606)	(79)	31 835	27 150
Restated* Balance at 01 April 2024	**24 083**	**998**	**947 362**	**972 443**
Changes in net assets				
Net Surplus/(Deficit) for the period	(146 929)	107 582	(120 842)	(160 189)
Transfer to reserves	193 469	(108 580)	(84 889)	-
Total changes	46 540	(998)	(205 731)	(160 189)
Balance at 31 March 2025	70 623	-	741 627	812 250

* See Note 35 & 32

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

CASH FLOW STATEMENT

	Notes	31 March 2025 R '000	31 March 2024 Restated* R '000
Cash flows from operating activities			
Receipts			
Levies		782 146	688 004
Interest received		78 761	87 172
Fines, Penalties and Forfeits		14 056	13 657
Other Income		262	-
		875 225	788 833
Payments			
Employee costs		(170 581)	(142 413)
Suppliers and Beneficiaries		(761 498)	(580 430)
		(932 079)	(722 843)
Net cash flows from operating activities	22	**(56 854)**	**65 990**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(52 726)	(2,054)
Proceeds from sale of property, plant and equipment	8	30	-
Net cash flows from investing activities		**(52 696)**	**(2 054)**
Net increase/(decrease) in cash and cash equivalents		**(109 550)**	**63 936**
Cash and cash equivalents at the beginning of the year		1 127 726	1 063 789
Cash and cash equivalents at the end of the year	7	**1 018 176**	**1 127 725**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget is prepared on accrual basis

	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	-	-	-	242	**242**	31.1
Interest received - investment	73 984	-	**73 984**	78 761	**4 777**	31.1
Total revenue from exchange transactions	**73 984**	**-**	**73 984**	**79 003**	**5 019**	
Revenue from non-exchange transactions						
Transfer revenue						
Levies	793 046	154 862	**947 908**	781 752	**(166 156)**	31.2
Public contributions and donations	-	-	**-**	-	**-**	
Fines, Penalties and Forfeits	18 903	-	**18 903**	14 056	**(4 847)**	31.2
In-Kind Contributions- Facilities	1 883	-	**1 883**	1 685	**(198)**	31.3
Interest - Transfer revenue	-	-	**-**	-	**-**	
Release from Reserves	248 286	-	**248 286**	-	**(248 286)**	31.7
UIF Project Income	-	-	**-**	248	**248**	
Total revenue from non-exchange transactions	**1 062 118**	**154 862**	**1 216 980**	**797 741**	**(419 239)**	
Total revenue	**1 136 102**	**154 862**	**1 290 964**	**876 744**	**(414 220)**	
Expenditure						
Employee Related Costs	(138 642)	(8 412)	**(147 054)**	(179 528)	**(32 474)**	31.9
Depreciation and amortisation	(5 892)	-	**(5 892)**	(6 143)	**(251)**	31.4
Administration Expenses	(64 458)	(146 450)	**(210 908)**	(78 611)	**132 297**	31.5
Discretionary grant expenses	(843 464)	-	**(843 464)**	(689 092)	**154 372**	31.6
Employer grant expenses	(83 646)	-	**(83 646)**	(83 559)	**87**	31.8
Total expenditure	**(1 136 102)**	**(154 862)**	**(1 290 964)**	**(1 036 933)**	**254 031**	
Surplus/ (Deficit)	**-**	**-**	**-**	**(160 189)**	**(160 189)**	

*Differences between budgeted and actual amounts are explained in note 31 on Page 159.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies where applicable are consistent with the previous financial year.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

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

1.3 Key sources of estimation uncertainty

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

1.3.2 Receivables from non-exchange transactions

The CETA 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 CETA 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.

1.4 Skills Development Levy - Income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act, Act No 97 of 1998, as amended and the Skills Development Levies Act, Act No 9 of 1999, as amended.

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

80% of Skills Development Levies are paid to CETA from SARS through DHET (net of the 20% contribution to the National Skills Fund (NSF)). Revenue is adjusted for transfers of employers between SETAs. Such adjustments are separately disclosed as inter-seta transfers. The amount of the inter-seta adjustment is calculated according to the most recent Standard Operating Procedure issued by DHET.

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 CETA and these benefits

SIGNIFICANT ACCOUNTING POLICIES (continued)

can be measured reliably. This occurs when DHET makes an allocation to CETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

When a new employer transfers to CETA, levies received from the former SETA are recognised as revenue and allocated to the respective category to maintain original identity.

1.5 Skills Development Levy - Penalties Interest

Interest and penalties are levied by SARS in terms of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) as amended. Penalties and interest are recognised as revenue when they become receivable and an allocation has been made by the South African Revenue Services.

1.6 Employer grants and Discretionary grants

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 criteria in accordance with the Skills Development Act, 1998, as amended and the SETA Grant Regulations regarding monies received and related matters (the SETA Grant Regulations).

Employer grants (Mandatory grants)

Grants are equivalent to 20% of the total levies contributed by employers during the corresponding financial period.

Discretionary grants and project expenses

CETA may, out of any surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers, and other associations or organisations when the conditions have been met. The criteria for allocating funds are approved by the CETA Board. Where necessary, interested employers, associations or organisations may be required to complete and submit a funding application for consideration and approval by the SETA.

Project expenses 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 other costs as are specifically chargeable to CETA under the terms of the contract. Costs are allocated using methods that are systematic and rationale and are applied consistently to all costs of a similar nature.

Discretionary grants and project expenses are recognised in the period in which they are incurred, when the value of the expenditure incurred can be measured with sufficient reliability and upon receipt of all necessary documents to support the claim by the employer, other associations or organisations.

1.7 Revenue adjustments by SARS

CETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected this may result in grants that have been paid to affected employers being in excess of the amount CETA would have granted to those employers had all information been available at the time of paying those grants. A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant over payment, net of bad debts and allowance for irrecoverable amounts.

1.8 Conditional Grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the CETA has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met, a liability is recognised.

1.9 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 CETA as a liability until the related eligible special project expenses are incurred. The liability is reduced by any project expenditure incurred and recognised as revenue. Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of the CETA, as the CETA 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.

1.10 Inter-SETA Transfers

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for skills development levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as inter-SETA transfers. The amount of the inter-SETA transfers is calculated according to the most recent Standard Operating Procedure as issued by the Department of Higher Education and Training.

1.11 Discretionary Grant

The funding for Discretionary Grants (DG) commitments and expenditures relates to the 49,5% of the total levies paid by the employers, levy grants that are not claimed by employers

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

after a particular legislated period, the surplus of administration levies not utilised, investment income, and other income generated by the CETA relating to this DG.

CETA may, out of any surplus monies, determine and allocate DGs to employers, education and training providers and workers of the employers who have duly applied for a DG in the prescribed form within the agreed-upon cut-off period as determined by CETA from time to time.

The grant payable and the related expenditure are recognised for approved and accepted awards when actual implementation of the learning / intervention programme concerned has taken place, and the set conditions have been met, thereby creating an obligation for CETA to pay the other party to the award. Up to a maximum of 7,5% of the allocated DG amount can be utilised to administer the DG project by the employer or training provider.

The 7.5% limit shall not be applicable to the following:

- Consulting to support CETA strategic goals
- Expenditure incurred as a result of support to conceptualisation, implementation and conclusion
- Launches
- Legal costs
- Travel and accommodation
- Employee related cost

Definitions Applicable to the Discretionary Grants

DG Commitments are contractual obligations that exist at the end of the financial year that will oblige CETA to make a payment or payments in the ensuing year, with valid and active agreements or signed offer letters to contract.

DG Accruals are expenditures already incurred during and up to the reporting date of the CETA (31 March) from training and learning programmes duly awarded by the CETA, which are however yet to be invoiced for by the DG providers or whose invoices may not yet have been received by the CETA as at reporting date but are supported by reliable estimates.

In general, GRAP 19 defines Payables as obligations where goods and services have been invoiced or formally agreed with the supplier.

The DG Payables are claims received for training and learning activities that have taken place, as invoiced for and whose invoices / claims have been received by CETA by 31 March but are not yet paid, and must be settled within 12 months from the year end date.

GRAP 19 defines a Provision as a liability where there is uncertainty about the timing or amount needed to settle the obligation. The CETA DG Provisions relate to legacy claims where valid claims were received in the prior periods and have not been settled due to incorrect payment details; who have not yet prescribed.

Recognition and Measurement Criteria for DG Commitments and Accruals

DG Payables are recognised in the statement of financial position at invoiced amounts. Invoices or confirmation of expenditure incurred statements received from DG providers up to 31 March of the financial periods are recognised as DG payables. These are recognised in the statement of financial position based on the invoiced amounts at year end without any discounting effect.

DG Accruals are recognised at net amounts due to the DG providers for the actual services rendered in implementing the CETA training and learning programmes based on contracted rates for the actual training and learning activities that have already occurred up to 31 March of a specific reporting period. As a result, invoices received after 31 March and relating to expenditures incurred up to year end (31 March of that year) are recognised as DG Accruals.

DG accrual is raised based on the availability of sufficient evidence for a reliable estimate (attendance registers, trade testing, moderation / mentorship reports, direct confirmations from entities of claims not submitted, etc).

DG commitments with no invoices / claims for a maximum of three (3) years after the projects' end date, will be derecognised / swept / removed from the DG Commitments register. Any subsequent claims received after the derecognition / sweeping of the DG commitments will not be paid.

Classification of DG Payables, Accruals and Provisions

The DG payables and accruals are classified as current liabilities in the Statement of Financial Position of the CETA.

SIGNIFICANT ACCOUNTING POLICIES (continued)

The DG provisions are classified as either current or non-current liabilities in the statement of financial position depending on the estimated timing to either settlement or prescription.

DG Commitments and Accruals Presentation and Disclosures

The DG Commitments are disclosed as per the prescription of the DHET SETA Grants Regulations Guidelines, and split into either contracted and non-contracted (accepted award offer letters).

The DG Commitments disclosure note does this split as follows:

- Contracted for DG Projects;
- Committed DG projects Not Yet Contracted for (Offers to contract / letters accepted and signed); and
- Completed / concluded DG Projects with Outstanding Claims yet to be received.

The DG Accruals are disclosed in line with the recognition criteria specified above in this accounting policy; and any changes in DG accruals will be reflected in line with GRAP 3 requirements.

Discretionary grant support costs.

1.12 Interest income

Interest income is recognised in surplus or deficit using the effective interest rate method. Interest is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.13 Allowance for impairment of receivables from exchange and non-exchange transactions

Receivables from exchange and non-exchange transactions are assessed for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, judgements are made as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the receivables. The impairment is measured as the difference between the receivables carrying amount and the present value of the estimated future cash flows.

1.14 Project expenditure

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 CETA 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. Project costs are recognised as an expense in the period in which they are incurred.

Receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

At the end of the financial period any unspent or uncommitted funds must be transferred to the National Skills Fund Authority with an allowance of 5% of the uncommitted funds that will be carried over to the next financial year, except where a request to carry forward the uncommitted funds has been lodged as per the Grant Regulations requirements. The unspent funds are determined by taking the surplus as stated in the Statement of Financial Performance for the financial period under review less the commitments for training of learners in programmes funded from discretionary funds.

Mandatory grants

The grants payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the prescribed cut off period as the payment then becomes probable. The grant is equivalent of 20% of the total levies paid by the employer during the corresponding financial period for the skills implementation grant respectively.

Administrative expenditure

The funding for administrative expenditure is derived from 10.5% of the total levies paid by the employers. Administration expenses consist of the operational expenditure incurred by the CETA in delivering its mandate.

1.15 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.16 Critical accounting judgements and key sources of estimation

In the application of CETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and 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 and in future periods if the revision affects both current and future periods.

1.16.1 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the Provisions note 12.

1.16.2 Useful lives of Property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

1.16.3 Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.17 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent measurement

Land is subsequently recognised at revalued amount, being the fair value at the date of revaluation.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

Any increase in an land's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an land's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to land is transferred directly to accumulated surplus when the asset is derecognised.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

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

Item	Depreciation method	Average useful life
Land	**Straight-line**	**N/A**
Buildings	**Straight-line**	**20-30 years**
Plant and machinery	**Straight-line**	**2-22 years**
Furniture and fixtures	**Straight-line**	**2-24 years**
Motor vehicles	**Straight-line**	**4-10 years**
Office equipment	**Straight-line**	**3-23 years**
IT equipment	**Straight-line**	**2-20 years**
Cell phones	**Straight-line**	**2 years**

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

1.18 Intangible assets

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, other	**Straight-line**	**3-14 years**

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

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.19 Statutory receivables

Identification

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

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

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

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

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

1.20 Taxation

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

SIGNIFICANT ACCOUNTING POLICIES (continued)

VAT Added Taxation (VAT)
The Revenue Laws Amendment Act, (Act No.45 of 2003) commenced on 22 December 2003. Previously the definition of enterprise placed Sectorial Education and Training Authorities (SETA) 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.

1.21 Consumables

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

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

Consumables are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

The cost of consumables of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of consumables is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all consumables having a similar nature and use to the entity.

1.22 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits
Short-term employee benefits are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises 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
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments as a provision when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.23 Provisions and contingencies

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entit settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

1.24 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Administration commitments

Administrative commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to acquisition of property, plant and equipment and intangible assets.

Discretionary Grants Commitments

Commitments mean that contractual obligation exist at the end of the financial year that will oblige CETA to make a payment or payment is the ensuing year. A contractual obligation means there is an agreement (written) with specific terms between CETA and a third party whereby the third party undertakes to perform something in relation to a Discretionary Grant. All valid offers to contract issued by a CETA prior to the financial year-end, that have not yet been contracted as at the end of the financial year, are disclosed as commitments of the CETA at the specific financial year-end. Offers of contracts, that have been issued before the financial year end, but have not yet been contracted before the financial yearend, will be included in the commitment's disclosure note, but disclosed separate from contractual commitments.

1.25 Revenue from exchange transactions

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

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to CETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The asset and the corresponding revenue are measured at fair value on initial recognition.

The following are included in the revenue from exchange transactions:

- Other income
- Interest income

1.26 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

Non-exchange revenue transactions result in resources being received by CETA, usually in accordance with a binding arrangement. When CETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that CETA will receive economic benefits or service potential and a reliable estimate of resources transferred can be made. Where the resources transferred to CETA are subject to the fulfilment of specific conditions, an asset and a corresponding liability are recognised. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured at fair value on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education, Science and Innovation.

The following are included in the revenue from non - exchange transactions:

- Levies
- Fines, penalties and forfeits
- In kind contributions - facilities

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.27 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.28 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

SIGNIFICANT ACCOUNTING POLICIES (continued)

At each reporting date:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.29 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

1.30 Irregular expenditure

rregular expenditure is expenditure incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

a. the PFMA as amended; and
b. the Skills Development Act (the Act), 1998 (Act No.97 of 1998) as amended.

Irregular expenditure is recognised in the year that the expenditure was incurred. Expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position. The expenditure is classified in accordance with the nature of the expense. Irregular expenditure that relates to multi-year contracts is also recorded in the year in which expenditure was incurred.

Irregular expenditure incurred and confirmed during the current financial year, and which was not condoned by the National Treasury, or the relevant authority is recorded appropriately in the irregular expenditure register. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis. If liability for the irregular expenditure can be attributed to a person, an account receivable is recognised. Thereafter, steps are taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose all amounts written off in the relevant note to the financial statements.

Irregular expenditure for the previous financial year (comparative amounts) is recognised in the period in which they occurred as follows:
- Irregular expenditure incurred and confirmed in the previous financial year.
- Irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year.
- Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.
- Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

If the irregular expenditure has not been condoned and no person is held liable, the expenditure related remains in the irregular expenditure register and is disclosed in the notes to the financial statements.

1.31 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

SIGNIFICANT ACCOUNTING POLICIES (continued)

The approved budget covers the fiscal period from 1 April 2024 to 31 March 2025.

Budget variances exceeding annual average inflation (5%) are explained in the reference note to the statement of comparison and actual amounts.

1.32 Related parties

Members of the Accounting Authority and employees are required to disclose their interest in any contracts that CETA is entering into with an outside party. Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another. Transactions with related parties are supposed to occur under terms and conditions that are no less favourable than those available under similar arm's length dealings.

At the end of the year, the list of all SETAs is obtained and confirmation of balances is requested from all the SETAs. A declaration of interest by employees is obtained by HR. The comparison between the related party register and the declarations obtained is performed to determine whether there are any declarations that have been omitted from the related party register and discrepancies followed up when identified. Once the comparison has been done, the related parties identified are compared to their general ledger and payments made to the entities which the parties are affiliated with to identify all the transactions that have been entered into with the parties.

The nature of the related party, the name of the related party and the transaction amount with the related party disclosures in notes 24.

1.33 In-Kind Contribution

In-Kind contributions are recognised at fair value and are equally recorded as revenue and expenditure for donated use of services, facilities and other assets. Donated assets are recorded as current or fixed assets.

1.34 Financial instruments

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

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

A derivative is a financial instrument or other contract with all three of the following characteristics:
- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between

SIGNIFICANT ACCOUNTING POLICIES (continued)

knowledgeable willing parties in an arm's length transaction.

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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
Receivables from exchange transactions	Financial assets measured at amortised cost
Receivables from non-exchange transactions	Financial assets measured at amortised cost
Cash and cash equivalents	Financial assets measured at amortised cost

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unutilised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial liabilities at Fair Value Through Profit and Loss (FVTPL)
Financial liabilities are classified at Value Through Profit and Loss (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.

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.

SIGNIFICANT ACCOUNTING POLICIES (continued)

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 transaction	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.

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.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the entity designates at fair value at initial recognition; or
- are held for trading.Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.35 Prior period error
Material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery by:
(a) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
(b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented.

1.36 Leases

Operating leases - lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

When an operating lease is terminated before the lease period has expired, any payment made to the lessor as a penalty is recognized as an expense in the period in which termination occurs.

1.37 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 amended as follows:
- Administration reserve
- Employer grant reserve

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 criteria in accordance with the Skills Development Act, 1998, as amended and the SETA Grant Regulations regarding monies received and related matters (the SETA Grant Regulations).
Employer grants (Mandatory grants)
Grants are equivalent to 20% of the total levies contributed by employers during the corresponding financial period.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretionary grants and project expenses
CETA may, out of any surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers, and other associations or organisations when the conditions have been met. The criteria for allocating funds are approved by the CETA Board. Where necessary, interested employers, associations or organisations may be required to complete and submit a funding application for consideration and approval by the SETA.

Discretionary grants and project expenses are recognised in the period in which they are incurred.

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

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc. (as applicable).

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for previous financial year is recognised in the period in which they occurred as follows:
- Fruitless and wasteful expenditure incurred and confirmed in the previous financial year.
- Fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- Fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year.

1.40 Events after the reporting date
Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:
- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

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

1.41 Allocation of unappropriated surplus
- Discretionary grant reserve
- Unappropriated surplus/deficit

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are transferred to the discretionary reserve. Provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

Employer levy payments are set aside in terms of the Skills Development Act as amended and the regulations issued in terms of the Act, for the purpose of:
- Administration costs of CETA
- Employer grant fund levy
- Discretionary grants and projects
- Contributions to the National Skills Fund

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund CETA's administration costs.

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

1.42 Leave accrual
The employees of CETA are entitled to 21 working days per annum as leave gratuity, i.e. 1.75 days accrued per month. The leave days are recognized as accrued to employees. The leave accrual is based on the total number of leave days accumulated and due to each employee at year-end multiplied by each employee's respective daily rate of cost to company. Employees that have been with the entity for more than 5 years are entitled to 2.88 days per month. Leave in excess of 15 days per financial year is not be paid out to an employee on termination of employment.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104 (as revised): Financial Instruments	1 April 2025	Unlikely there will be a material impact

3. Allocation of unappropriated surplus

	Administration grant reserves	Employer grant reserves	Discretionary grants reserves	2025 Total per Statement of Financial Performance	2024 Total per Statement of Financial Performance
	R000	R000	R000	R000	R000
Revenue					
Admin levy income (10.5%)	117 353	-	-	117 353	95 584
Grant levy income (69.5%)	-	191 141	473 258	664 399	591 849
Skills development levy: penalties and interest	-	-	14 056	14 056	13 657
Interest received	-	-	78 761	78 761	87 172
In-Kind Contributions - Facilities	-	-	1 685	1 685	1 659
Other income	-	-	242	242	37
UIF Project Income	-	-	248	248	366
Total	117 353	191 141	568 250	876 744	790 324
Expenses					
Administration expenses	(264 282)	-	-	(264 282)	(222 029)
Employer Grant Expenses	-	(83 559)	-	(83 559)	(88 572)
Discretionary Grant Expenses	-	-	(689 092)	(689 092)	(452 573)
Surplus (Deficit)	**(146 929)**	**107 582**	**(120 842)**	**(160 189)**	**27 150**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
4. Consumables		
Consumable stores	527	482
Consumables recognised		
Opening balance	482	755
Acquired during the year	742	692
Usage during the year	(697)	(965)
Closing Balance	**527**	**482**
Consumables recognised as an expense during the period	697	965

Consumables are carried out using the FIFO method. Unit prices are determined based on the FIFO Method.

Consumables pledged as security

CETA consumables have not been pledged as security and are not restricted.

Consumables reconciliation

	31 March 2025 R '000	31 March 2024 Restated* R '000
Stationery, cutlery and refreshments	491	326
Cleaning materials	36	156
	527	**482**

5. Receivables from exchange transactions

	31 March 2025 R '000	31 March 2024 Restated* R '000
Prepayments	1 617	1 680
Staff debtors	424	433
Sundry debtors	54	54
Rental deposit	435	2 110
	2 530	**4 277**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2025 R '000	2024 Restated* R '000
Statutory receivables included in receivables from exchange transactions above are as follows:		
Receivables from exchange transactions	2 530	4 389
Debts impairment	-	(112)
Receivables from exchange transactions - Net	**2 530**	**4 277**
Total receivables from exchange transactions	2 530	4 277

6. Receivables from non-exchange transactions

	2025 R '000	2024 Restated* R '000
SARS employer receivable	434	568
Accounts Receivable	15 672	12 804
Project debtors	6 432	6 920
	22 538	**20 292**

SARS Employer receivable is based on movements in receivables resulting from SARS adjustments, in line with the CETA policy and section 190(1)(b) of the Tax Administration Act. The fair value of receivables at year-end approximates fair values that are receivable within the next 12 months, hence a decision was made not to impair or provide for any doubtful debts at year-end.

	2025 R '000	2024 Restated* R '000
UIF Receivable		
Accounts Receivable	10 523	10 275

UIF Receivable: CETA is contracted with UIF for the funding of Short skills programmes. The total project costs were R89 million, and be funded as follows:

	2025 R '000	2024 Restated* R '000
	71 200	71 200
	17 800	17 800
	89 000	**89 000**

Receivable was raised due to the non-receipt of funds from the UIF.

The CETA is concluding the negotiations with UIF with regards to the amounts incurred and due for recovery the UIF Receivable

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	2025 R '000	2024 Restated* R '000
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	12	13
Bank balance - Standard Bank	132 747	113 451
Bank balance - Corporation of Public Deposits	885 417	1 014 262
	1 018 176	**1 127 726**

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
8. Property, plant and equipment						
Land	4 327	-	4 327	-	-	-
Buildings	45 123	(1 632)	43 491	-	-	-
Plant and machinery	287	(264)	23	287	(264)	23
Furniture and fixtures	2 054	(1 838)	216	2 054	(1 834)	220
Motor vehicles	15 539	(9 841)	5 698	14 639	(7 797)	6 842
Office equipment	1 917	(1 682)	235	1 835	(1 627)	208
IT equipment	9 794	(6 041)	3 753	8 397	(5 059)	3 338
WIP - Building Partitioning	3 490	-	3 490	3 490	-	3 490
Cellphones	1 983	(1 116)	867	1 182	(591)	591
Total	**84 514**	**(22 414)**	**62 100**	**31 884**	**(17 172)**	**14 712**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Opening balance	Additions	Disposals	Depreciation	Total
Reconciliation of property, plant and equipment - 2025					
Land	-	4 327	-	-	4 327
Other Buildings	-	45 123	-	(1 632)	43 491
Plant and machinery	23	-	-	-	23
Furniture and fixtures	220	-	-	(4)	216
Motor vehicles	6 842	900	-	(2 044)	5 698
Office equipment	208	82	-	(55)	235
IT equipment	3 338	1 441	(9)	(1 017)	3 753
*WIP - Building Partitioning	3 490	-	-	-	3 490
Cellphones	591	853	(35)	(542)	867
Total	**14 712**	**52 726**	**(44)**	**(5 294)**	**62 100**

As at 31 March 2025, the CETA has recognised a carrying amount of R3 490 000 under Property, Plant and Equipment in respect of capital work-in-progress related to the upgrades and partitioning for the Head Office building, which is taking significantly longer to complete than originally anticipated.

The delay in project completion is primarily attributable to the termination of the tender contract with the initially appointed contractor due to non-performance and failure to meet contractual obligations. Subsequent to the termination, the procurement process for the appointment of a replacement service provider has encountered delays. These delays are the result of multiple unsuccessful tender processes, necessitating the re-advertisement of the project in accordance with the entity's supply chain management policy and applicable legislative frameworks.

As a result, the completion date of the project has been revised, and management continues to assess the impact of the delay on the expected future economic benefits and service potential of the asset. The project remains capitalised as work-in-progress as it is not yet available for its intended use, and management believes that the carrying amount of the asset is still recoverable.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	Opening balance	Additions	Disposals	Depreciation	Total
Reconciliation of property, plant and equipment - 2024					
Plant and machinery	45	-	-	(22)	23
Furniture and fixtures	424	-	(14)	(190)	220
Motor vehicles	9 698	-	-	(2 856)	6 842
Office equipment	442	-	(7)	(227)	208
IT equipment	3 826	1 386	(291)	(1 583)	3 338
Other property, plant and equipment	3 490	-	-	-	3 490
Cellphones	422	668	(29)	(470)	591
Total	**18 347**	**2 054**	**(341)**	**(5 348)**	**14 712**

Pledged as security

There are no restricted assets at CETA and none of CETA assets are pledged as security. CETA has conducted the annual reassessment of useful lives and residual values on property, plant and equipment.

	2025 R '000	2024 Restated* R '000
Repairs and maintenance	609	-

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
*Work in progress - Learner Biometric System	7 749	-	7 749	7 749	-	7 749
Computer software - DG Portal	4 429	(3 655)	774	4 429	(2 807)	1 622
Total	**12 178**	**(3 655)**	**8 523**	**12 178**	**(2 807)**	**9 371**

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
*Work in progress - Learner Biometric System	7 749	-	7 749
Computer software - DG Portal	1 622	(848)	774
	9 371	**(848)**	**8 523**

Reconciliation of intangible assets - 2024

	Opening balance	Other changes, movements	Amortisation	Total
Computer software	126	-	(126)	-
Work in progress - Learner Biometric System	7 749	-	-	7 749
Computer software - DG Portal	2 467	(845)	-	1 622
	10 342	**(845)**	**(126)**	**9 371**

*The work in progress (Learner biometric system) took significantly longer than expected due to the legal battle with the service provider.

Pledged as security

There are no CETA intangible assets pledged as security and they are not restricted.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
10. Payables from exchange transactions		
Trade payables	5 062	8 134
Accrued expense - Administration	7 665	3 542
Other Creditors	2 036	874
Leave accrual	5 963	4 354
	20 726	**16 904**
11. Payables from non-exchange transactions		
SARS Payable	628	877
Mandatory grant payables	72 911	41 733
Trade payables - projects	73 300	30 024
National Skills Fund Lay-off scheme	37	37
Accrued expenses - Projects	60 927	80 502
	207 803	**153 173**

12. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Reversed during the year	Total
Employer refund provision	18 241	18 635	(18 241)	18 635
Discretionary Grant - Provision	-	31 552	-	31 552
Bonus Provision	16 099	23 428	(16 099)	23 428
	34 340	**73 615**	**(34 340)**	**73 615**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

12. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Reversed during the year	Total
Employer refund provision	17 670	18 241	(17 670)	18 241
Bonus Provision	8 825	15 285	(8 011)	16 099
	26 495	**33 526**	**(25 681)**	**34 340**

	31 March 2025 R '000	31 March 2024 Restated* R '000
Employer refund		
Opening balance	18 241	17 670
Changes in provision	394	571
	18 635	**18 241**

The provision for employer refund R18 million - 2025 (R18 million - 2024) relates to levies incorrectly contributed by exempt employers. The provision will be treated in terms of Section 190 (1)(b) of the Tax Administration Act in that a person is entitled to a refund by SARS of the amount erroneously paid in respect of a self-assessment in excess of the amount payable in terms of the assessment.

Any exempt contribution older than five years are swept to discretionary reserves as directed by the Skills Development Circular no 09/2013 in conjunction with section 190(4) of the Tax Administration Act.

Any exempt contribution older than five years are swept to discretionary reserves as directed by the Skills Development Circular no 09/2013 in conjunction with section 190(4) of the Tax Administration Act.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

An amount of R23 million (2024: R16 million) relates to the performance bonus provision based on employees actual and estimated performance and contracts ratings. Employees sign performance agreements as a condition of service at the beginning of each financial year. Employees are assessed bi-annually, and the actual bonus payment is made based on final rating scores. The performance incentive bonus scheme will reward employees for their contribution to the achievement of the CETA's strategic objectives as set out in the Annual Performance Plan (APP). Bonuses will be paid out after year-end results have been audited and final approval has been granted by the Accounting Authority.

The discretionary grant provision is based on a reliable estimate based on confirmations received from employers and training providers. An assessment is performed at year-end to ascertain the reliability of the estimate. Where there is no reliable estimate at year-end, provision will not be raised.

13. Other income

	31 March 2025 R '000	31 March 2024 Restated* R '000
Gains from foreign exchange transactions	-	37
Inter-Seta transfer received	18	-
CETA Skills levy income (WSP/ATR)	199	-
Gains on Disposal of Assets	25	-
	242	**37**
The amount included in other project income arising from non-exchange transactions is as follows:		
UIF project income	248	366

14. Interest received

	31 March 2025 R '000	31 March 2024 Restated* R '000
Interest revenue		
Operational Bank Account - Standard Bank	7 605	7 629
Investments - CPD	71 156	79 543
	78 761	**87 172**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

15. Levies

	31 March 2025 R '000	31 March 2024 Restated* R '000
Levy Income: Administration		
Levies received from SARS	100 428	89 491
Government levies received	16 976	6 168
Levies provision	(51)	(75)
	117 353	**95 584**
Levy Income: Employer Grants		
Levies received from SARS	191 239	170 433
Levies provision	(98)	(143)
	191 141	**170 290**
Levy income: Discretionary Grants		
Levies received from SARS	473 500	421 912
Levies provision	(242)	(353)
	473 258	**421 559**
TOTAL	**781 752**	**687 433**

16. Fines, Penalties and Forfeits

	31 March 2025 R '000	31 March 2024 Restated* R '000
Skills Development Levy: Interest	5 562	5 578
Skills Development Levy: Penalties	8 494	8 079
	14 056	**13 657**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
17. Administration expenses - Employee related costs		
Basic	88 252	67 517
Bonus	14 236	15 286
Medical aid - company contributions	9 702	9 602
UIF	619	504
Workmen's Compensation	166	138
Skills Development Levy	1 533	559
Membership Fee - Union	107	84
Other employee related costs	960	1 255
Bond subsidy	2 636	2 593
PAYE	46 097	32 452
Pension	13 644	12 467
Leave pay	1 576	575
	179 528	**143 032**

Employee related costs

Defined Contribution Plan

CETA's contribution to the defined contribution plan is charged to the Statement of Financial Performance in the year to which they relate and there is no further liability for the CETA.

Fringe benefits

CETA offers fringe benefits for its employees namely the mobility allowances, education allowances, medical aid and the employer pension contribution.

Other

Included in other employee costs are: employee wellness, recruitment fees, bursaries, etc.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
18. Administration expenses - Depreciation and amortisation		
Property, plant and equipment	5 295	5 347
Intangible assets	848	971
	6 143	**6 318**
19. Employer Grant Project expenses		
Mandatory Grant		
Expensed	83 559	88 572
Discretionary Grant		
Core Expenditure	657 432	413 995
Admin Expenditure - 19.1	31 660	38 578
	689 092	**452 573**
19.1 Administration Costs		
Travel, Subsistence and accommodation	4 979	3 160
Evaluation of DG projects	2 358	7 056
Consulting and outsourcing	813	7 030
Project management and design	-	2 180
Security	-	58
Legal Costs	1 333	2 078
Management Information systems	3 934	3 612
Other projects administration expenses	18 243	11 138
Communication, PR and Marketing	-	2 266
	31 660	**38 578**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
20. Administration Expenses - Operating Expenses		
Admin and General Expense	6 325	7 062
Auditors Remuneration - Refer to note 21	5 811	4 198
Bank charges	566	572
Cleaning	1 654	571
Legal Costs	16 300	20 270
Consumables	234	125
Delivery expenses	1	-
Sponsorship	1 050	297
Entertainment	562	221
Interest Paid	201	11
Relocation cost	301	367
Insurance	964	698
Conferences and seminars	1 294	980
Motor vehicle expenses	924	561
Storage	-	12
Licenses	3 389	1 597
Printing and stationery	1 220	1 688
Finance Support	1 210	700
Repairs and maintenance	1 092	813
Audit and Risk Committee Fees	566	413
Security	2 689	2 320
Subscriptions and membership fees	95	68
Telephone and fax	1 498	1 049
Other Operational Expenses	491	346
Water, Electricity and Rates	1 782	2 422
In-kind Contribution - Facilities	1 685	1 659
Board Expenses*	4 888	4 369
Catering	365	-
Consulting and Outsourcing	8 785	5 971
Travel, Subsistence and Accommodation	3 360	2 303
QCTO	4 708	4 251
Rental Expenses	4 601	6 653
	78 611	**72 567**

*Included in the Board expenses are Board Meeting fees, Travel expenses, Catering, Committee and Conferences.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
21. Auditors' remuneration		
External audit fees	4 414	3 842
Internal audit fees	1 397	356
	5 811	**4 198**
22. Cash (used in) generated from operations		
Surplus / (Deficit)	(160 189)	27 150
Adjustments for:		
Depreciation and amortisation	6 143	6 318
Provisions-SARS payable	394	571
Movements in provisions	38 881	7 274
Other non-cash items	9	342
Changes in working capital:		
Consumables	(45)	273
Receivables from exchange transactions	1 747	(699)
Other receivables from non-exchange transactions	(2 246)	(422)
Payables from exchange transactions	3 822	1 065
Payables from non-exchange transactions	54 630	24 118
	(56 854)	**65 990**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

23. Discretionary Grants and Admin Commitments

23.1 Discretionary Grants Commitment

Programme	Opening balance 1 April 2024	*Prior Period Error Adjustment	Restated opening balance	New Approvals 2024/25	Current year adjustment	Proposed Sweeps and Cancellations	Payments made and accruals	Closing Balance
Apprenticeships	870 593	(7 624)	862 969	839 600	-	(31 119)	(269 073)	1 402 377
Bursaries	66 847	13 331	80 178	31 180	36 800	(8 558)	(35 602)	103 998
Candidacy	194 900	(4 145)	190 755	30 900	-	(6 183)	(49 016)	166 456
Internship	50 108	(488)	49 620	26 220	-	(705)	(14 580)	60 555
Learnership	214 487	(10 911)	203 576	263 335	-	(5 971)	(104 699)	356 241
Placement of leaners	120 640	3 934	124 574	85 980	-	(1 227)	(38 443)	170 884
Recognition of Prior Learning	21 977	(239)	21 738	8 205	-	(3 855)	(17 307)	8 781
Short Skills Programmes	59 511	(5 714)	53 797	67 890	-	(2 580)	(35 954)	83 153
Skills Development Centre	9 888	6 102	15 990	269 258	-	-	(27 752)	257 496
Special Projects	-	25 722	25 722	12 000	-	-	(36 722)	1 000
Trade Testing	1 332	708	2 040	-	-	-	(988)	1 052
Short Skills Programme-UIF CETA	8 217	-	8 217	-	-	(8 155)	(62)	-
ARPL	51 545	4 218	55 763	73 095	-	(7 793)	(23 848)	97 217
Development and Growth of public college systems	1 244	-	1 244	9 670	-	-	(2 918)	7 996
TVET Solar Manufacturing skills development	6 101	(6 101)	-	-	-	-	-	-
Total	**1 677 390**	**18 793**	**1 696 183**	**1 717 333**	**36 800**	**(76 146)**	**(656 964)**	**2 717 206**

In terms of guidelines on the implementation of Seta Grant Regulations, "Offers of contracts", that have been issued before the financial year-end, but have not yet been contracted before the financial year-end, should be included in the commitments disclosure note.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
Commitment Schedule		
Contracted Projects	351 874	545 875
Offer to contract signed	2 365 332	1 150 308
	2 717 206	**1 696 183**

Written agreements made between the CETA and third parties result in a contractual obligation and are classified as projects contracted for. Where DGAs are not signed the projects are classified as 'not contracted', as there is no contractual obligation as yet.

The above Discretionary Grants Commitments arise from contractual commitments between CETA and the Training Providers or Employers for the skills development programme they are allocated.

Prior period error adjustment - refer to Note 32 which deals with the prior error disclosure note.*

23.2 Operating Leases - as lessee (expense)

Rental of offices

The CETA entered into an operating lease agreement with the lessors for the lease of office space as follows:

Location	Start Date	End Date	Annual Escalation Factor
Midrand - Head Office	01 April 2021	31 July 2024	10,8%
Cape Town - Regional Office	01 April 2022	31 March 2027	8%
Limpopo - Regional Office	01 June 2022	31 May 2027	7%

In addition to the above, the CETA entered into an operating lease for 21 photocopying machines. The lease period is for 25 months ending 31 March 2026. The rentals payable are based on the lease agreement and there are no escalations over the lease term.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
Minimum lease payments due		
- within one year	1 683	3 513
- in second to fifth year inclusive	1 256	2 430
	2 939	**5 943**
Rental expenses relating to operating leases		
Minimum lease payments	4 169	6 661

24. Related parties

Ultimate controlling entity	Department of Higher Education and Training (DHET)
Stakeholders with significant influence	National Skills Fund National Student Financial Aid Scheme Other 20 SETAs and QCTO TVET Colleges Universities and other Colleges South African Qualifications Authority Council of Higher Educational and Training National Institute for Humanities and Social Sciences
Accounting Authority	Mr. Thabo Masombuka – Chairperson Mr. Danny Masimene - AA Member Mr. Phillip Vilakazi - AA Member Mr. Josias Mpe - AA Member Mr. Roy Mnisi - AA Member Ms. Rahab Mohetoa - AA Member Mr. Sunday Mlangeni - AA Member Ms. Sibongile Maseko - AA Member
Members of Key Management	Mr. M Shezi- Chief Executive Officer Ms. M Taje - Executive Manager: Strategic Support Mr. S Radebe - Acting Chief Financial Officer Mr. L Phasha - Executive Manager: ETQA and Projects

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CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
24. Related parties (continued)		
Related party transactions		
In - kind contribution - Rental of office		
Mpumalanga - Disaster Management Centre	121	119
KZN - Services SETA	122	120
North West - Mahikeng Taletso TVET College	131	129
North West - Klerksdorp Vuselela TVET College	22	21
Free State - Motheo College Aliwal North	884	870
Northern Cape - Department of Public Works	197	194
Eastern Cape - SASSETA	162	160
Gauteng - Tshwane South TVET College	46	46
Total	**1 685**	**1 659**
Amounts received/ (paid/committed)		
QCTO	4 708	4 251
MICT	-	5
MQA	-	(113)
TVET Colleges	375 498	307 144
CET Colleges	7 780	777
Universities	292	527
HWSETA	70	70
MerSeta	2	2
Services SETA	169	-
SASSETA	(11)	-
Total	**388 508**	**312 663**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Remuneration of management

Remuneration of Accounting Authority

2025

Name	Board meetings and activities R'000	Travel, subsistence a nd other allowances R'000	Total R'000
Mr. T Masombuka - Chairperson	437	35	472
Mr. D Masimene - AA Member	346	-	346
Mr. P Vilakazi - AA Member	263	-	263
Mr. J Mpe - AA Member	311	-	311
Mr. R Mnisi - AA Member	327	29	356
Ms. R Mohetoa - AA Member	247	-	247
Mr. S Mlangeni - AA Member	174	93	267
Ms. S Maseko - AA Member	293	13	306
	2 398	**170**	**2 568**

2024

Name			
Mr. T Masombuka - Chairperson	436	3	439
Mr. D Masimene - AA Member	336	17	353
Mr. P Vilakazi - AA Member	267	-	267
Mr. J Mpe - AA Member	249	2	251
Mr. R Mnisi - AA Member	262	7	269
Ms. R Mohetoa - AA Member	178	1	179
Mr. S Mlangeni - AA Member	120	5	125
Ms. S Maseko - AA Member	156	7	163
	2 004	**42**	**2 046**

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CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Management class: Executive Management

2025

Name	Basic salary R'000	Total R'000
Mr M Shezi- Chief Executive Officer	2 848	2 848
Mr S Radebe - Acting Chief Financial Officer	2 130	2 130
Ms M Taje - Executive Manager: Strategic Support	2 643	2 643
Mr L Phasha - Executive Manager: ETQA and Projects	1 999	1 999
	9 620	**9 620**

2024

Name		
Mr M Shezi- Chief Executive Officer (from 1st of September 2021)*	2 266	2 266
Mrs H Shangase - Chief Financial Officer - Resigned on the 4th of March 2024	1 585	1 585
Ms. M Taje - Executive Manager: Strategic Support*	2 018	2 018
Mr. P Yeko-Executive Manager: ETQA and Projects	987	987
Mrs M Moeketsa - Acting Chief Financial Officer - 01 May -05 June 2023	19	19
	6 875	**6 875**

Executive management only receives medical aid as a fringe benefit.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Audit and Risk Committee

2025

Name	Fees for services as a member of Audit and Risk Committee R'000	Total R'000
Ms. ZN Tshabalala - Chairperson of ARC*	162	162
Mr. M Wesi - Member of the ARC*	358	358
Ms. BT Mokgoko - Member of the ARC	170	170
Mr. SM Mlangeni - AA Member	59	59
	749	**749**

2024

Name		
Ms. ZN Tshabalala - Chairperson of ARC - From 12/01/2023*	126	126
Mr. M Wesi - Member of the ARC (from 12/01/2023)*	262	262
Ms. BT Mokgoko - Member of the ARC (from 12/01/2023)	133	133
Mr. SM Mlangeni - AA Member	53	53
Ms. M Maseko - AA Member	9	9
	583	**583**

*Included in the Audit and Risk Committee note are other meetings where the ARC members were invited to or seconded.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
25. Irregular Expenditure		
Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.	63	12 004

Prior year correction of R259,000 expenditure incurred in the prior year for a multi-year contract confirmed not to be irregular by the Forensic auditors.

Irregular expenditure - payments relating to multi-year contracts that were not condoned or removed.

The above disclosure of irregular expenditure has been made in terms of the 2022 PFMA compliance reporting framework issued per National Treasury Instruction No. 04 of 2022/23.

26. Fruitless and Wasteful Expenditure

There are no confirmed incidents of Fruitless and wasteful expenditure in the current year. The possible fruitless and wasteful expenditure noted in the current year is being assessed by the Loss Control Committee in line with the PFMA compliance reporting framework issued per National Treasury Instruction No. 04 of 2022/23. The full details of these incidents will be reported in the annual report.

27. Financial instruments disclosure

In the course of CETA operations, it is exposed to interest rate, credit, liquidity and market risk. CETA has developed a comprehensive risk strategy in terms of Treasury Regulations 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below. Financial instruments have not been discounted as they will be settled or recovered within 6 months. The effect of discounting was considered and found not to be material.

Interest rate risk

CETA manages its interest rate risk by effectively investing CETA surplus into the Corporation for Public Deposits (CPD) as per Treasury Regulation 31.3.3 Unless exempted by the National Treasury, public entities that are listed in Schedule 3A or 3C of the Act must, with effect from 1 July 2001, only:

(a) invest surplus funds with the Corporation for Public Deposits, where such surpluses exceed R1 million; and

(b) invest surplus funds in an institution with an investment grade rating, where such surpluses are less than R1 million.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Categories of financial instruments

	Amount	Effective Interest rate %	Total
31 March 2025			
Cash and cash equivalents	1 018 176	7	1 018 176
31 March 2024	1 127 726	8	1 127 726

2025

Financial assets	At amortised cost	Total
Trade and other receivables from exchange transactions	913	913
Other receivables from non-exchange transactions	22 538	22 538
Cash and cash equivalents	1 018 176	1 018 176
	1 041 627	**1 041 627**

Financial liabilities	At cost	Total
Trade and other payables from exchange transactions	14 763	14 763
Payables from non-exchange transactions	207 803	207 803
	222 566	**222 566**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

2024

Financial assets	At amortised cost	Total
Trade and other receivables from exchange transactions	2 597	2 597
Other receivables from non-exchange transactions	20 292	20 292
Cash and cash equivalents	1 127 726	1 127 726
	1 150 615	**1 150 615**

Financial liabilities	At cost	Total
Trade and other payables from exchange transactions	12 546	12 546
Payables from non-exchange transactions	153 173	153 173
	165 719	**165 719**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

28. Risk management

Financial risk management

Liquidity risk

CETA's exposure to liquidity risk is amongst other things, through a high number of discretionary grant commitments to entities made at year-end. CETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs forecasted cash flow and its cash management policy. Adequate reserves and liquid resources are also maintained. The table below provides an analysis of CETA's liabilities into their maturity groupings as per the statement of financial position.

2025	Carrying Amount	Contractual Cash Flow	6 months or less
Payables from non-exchange transactions	207 803	207 803	207 803
Payables from exchange transactions	20 726	20 726	20 726
	228 529	**228 529**	**228 529**

2024	Carrying Amount	Contractual Cash Flow	6 months or less
Payables from non-exchange transactions	153 173	153 173	153 173
Payables from exchange transactions	16 904	16 904	16 904
	170 077	**170 077**	**170 077**

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CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Credit risk

Credit risk with respect to levy paying employers is limited due to the nature of the income received. CETA does not have any material exposure to any individual or counter-party. CETA's concentration of credit risk is limited to the industry (Construction related industries) in which CETA operates. No events occurred in the industry (Construction and related) 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 allowances for doubtful debts. The entity is still in the process of recovering all debt due, therefore no assets will be impaired pending investigation and board approval.

	2025	2024
The ageing of other receivables from exchange transactions		
Not past due 0-30 days	-	807
Past due 90-120 days	2 530	3 470
	2 530	**4 277**
The ageing of cash and cash equivalents		
Not past due	1 018 176	1 127 726
The ageing of other receivables from non-exchange transactions		
Not past due 0-30 days	-	422
Past due 90-120 days	25 068	19 870
	25 068	**20 292**

Market risk

CETA is exposed to fluctuations in the employment market, for example, sudden increases in unemployment in the construction industry which leads to changes in levy income received by the CETA. No significant events occurred during the financial period.

Fair values

CETAs financial instruments consist of mainly of cash and cash equivalents, accounts and other receivables and payables. No financial instruments were carried at an amount in excess of their fair value. Fair value could be reliably measured for all financial instruments, with the exception of cash and cash equivalents which are carried at amortised costs.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Accounts receivable

The carrying amount of the accounts receivable is net of allowances for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair values. The effect of discounting was considered and found to be immaterial.

29. Contingencies

29.1 Retention of surplus funds

Retention of surpluses by constitutional institutions and public entities listed in Schedules 3A and 3C to the Public Finance Management Act (PFMA), 1999. Public entities listed in Schedules 3A and 3C to the PFMA may not accumulate surpluses that were realised in the previous financial year without obtaining prior written approval of the relevant Treasury.

SETAs are required to disclose the uncommitted surplus. The possible liability is calculated as follows:

Possible liability- Retention of surplus

	31 March 2025 R '000	31 March 2024 Restated* R '000
Cash and cash equivalents		
Plus: Receivable	1 018 176	1 127 726
Less: Current liabilities	25 068	24 569
	(302 144)	(204 417)
	741 100	**947 878**

The new calculation for the retention of surplus shows that CETA has an available surplus of R738 million .However, the Discretionary Grant commitment register has a balance of R2.7 billion worth of committed projects. This indicates that the surplus amount is backed by the Discretionary Grants commitments.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000
29.2 Contingent Liabilities		
Employee labour related matters	22 954	480
Dispute on interpretation of the SLA	5 250	-
	28 204	**480**

In addition to the above, for the following cases, the CETA could not determine the costs associated to them.

-CETA is being sued for legal fees not paid.

-Application by the service provider to review and set aside a tender issued.

BUSA Case and Surplus funds

In October 2019, Business Unity South Africa (BUSA) won a court case against DHET where the department's decision to decrease the Mandatory Grant levies and grants percentage 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 communicated the decision in regard to the mandatory grant percentage. There has been no change with regards to the mandatory grants levy portion of 20%, therefore CETA cannot reasonably estimate the timing and financial outcome of the event.

29.3 First-time employer registration

The skills development legislation allows for an employer, registering for the first time, six months to submit an application for mandatory grants. At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R0 (2023/24: R998 000) will be payable. This amount is contingent on the number of WSPs submissions received and approved.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

30. Going concern

CETA 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 CETA 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.

The CETA Discretionary Grants Commitments Disclosure Note reflects a balance of R2.7 billion as at year-end. While this commitment may initially raise concerns regarding the entity's ability to continue as a going concern, it is critical to note that this balance pertains primarily to multi-year skills development programmes. These learning interventions are contractually structured and operationally implemented across more than one financial year, and therefore, do not represent an immediate cash flow obligation.

Management has performed a detailed assessment of the CETA's financial sustainability and funding capacity. Based on current programme approvals, it is estimated that R694 million will be required to fund the first-year deliverables of the committed skills development initiatives. This obligation remains well within the available financial resources.

The entity retains an accumulated surplus of R809 million, which is available to meet both the current and future discretionary grant commitments. Furthermore, macroeconomic and sectoral indicators suggest a positive outlook for levy income, with projected growth in skills development levy revenue estimated at 11% to 12% for the ensuing financial period. This anticipated growth will further bolster the CETA's capacity to fund its mandate without jeopardising operational viability.

Based on the above assessment, including available reserves and projected future revenue inflows, management is satisfied that the CETA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, as there are no material uncertainties that cast significant doubt on the entity's ability to continue as a going concern.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

31. Budget differences

Material differences between budget and actual amounts

Comparison of budget vs actuals will be prepared during the preparation of final annual financial statements.

31.1 Interest received - The decrease is due to the decreasing prime lending rates as well as the decrease in the bank balance compared to the prior year.

31.2 Levies - Increase in the number of employers registering with the CETA. Increase in penalties and Interest on levies as a result of late submission by levy payers. However the budgeted amounts have not been met.

31.3 In-Kind contribution facilities - The increase in estimated in-kind donations is due to increase in property rates which are based on overall South African property market and inflationary increases.

31.4 Depreciation - The CETA purchased certain PPE items (office building) in the current year, the increase is due to additions.

31.5 Administration expense - Audit fees due to prolong audit period as a result of a re-audit, Board fees increased due to driving clean admistration and providing oversight, repair cost increased due to maintennance of office building post aquisition, additional cleaning services for head office, Consultant and outsourcing fees increased as a result of driving clean administration and operational efficiency.

31.6 Discretionary expenditure - Late implementation of Discretionary Grant projects.

31.7 The budget statement is prepared on an accrual basis and the transfer from reserves is a movement within the same line item. 1.6. cash and cash equivalents.

31.8 Mandatory Grants beneficiaries are yet to submit their claims using correct banking details for payment to be processed as well as downloads from DHET not received on time.

31.9 Employee cost increased due to bonus payment, pension backpay and filling of vacancies.

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

32. Prior period errors

	Audited balance	Prior year adjustment	Restated
Discretionary grants expenditure 32.1	(431 564)	(21 009)	(452 573)
Administration expenses 32.2	(71 922)	(645)	(72 567)
Discretionary grant reserve 32.3	(973 774)	26 412	(947 362)
Payable(s) from non-exchange transactions 32.1	(113 150)	(40 023)	(153 173)
Payables from exchange transactions 32.2	(15 282)	(1 622)	(16 904)
Discretionary Grant - Provision 32.4	15 233	(15 233)	-
	(1 590 459)	**(52 120)**	**(1 642 579)**

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY Annual Financial Statements for the Year Ended 31 March 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

Commitments	**Audited balance**	**Prior year adjustment**	**Restated**
DG commitment 32.1	1 677 390	18 793	1 696 183

Irregular Expenditure	**Previously Reported**	**Restatement**	**Restated Figure**
Restatement of Balances 32.5	3 416	8 588	12 004

Related party transactions - Amounts received/ (paid/committed)			
TVET Colleges 32.7	118 858	188 286	307 144
Private Colleges 32.7	225 708	(225 708)	-
	344 566	**(37 422)**	**307 144**

Operating Lease	**Previously Reported**	**Prior year adjustment**	**Restated Figure**
Operating leases - within one year 32.6	6 788	(3 275)	3 513
Operating leases - in second to fifth year inclusive 32.6	8 044	(5 614)	2 430

32.1 In 2020/21, 2021/22 and 2023/24, there are transactions that were not accrued for. This resulted in an understatement of DG expenditure and accruals (Payables) in the prior year. In correcting this prior period error, the amount has been appropriately accrued for.

In 2022/23 and 2023/24, there are contracts that were swept however it was discovered during 2024/25 financial year that the entities submitted the claims relating to prior years.

32.2 In the prior year, transactions relating to suppliers were not accrued for. This resulted in an understatement of Admin reserves, admin expenses and admin payables in the prior year. In correcting this prior period error, the amount has been appropriately accounted for.

32.3 Discretionary grant reserve were restated as a result of the misstatements of accruals, expenditure, payables that were corrected through the restatement of the prior period amount.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

32.4 In the prior years, there was a DG provision that was raised based on estimated amounts as a result of non-compliant supporting evidence made for the claims. It has been resolved that this provision does not give rise to an obligation, and it has been written off.

32.5 Prior year correction of R259,000 expenditure incurred in the prior year for a multi-year contract confirmed not to be irregular by the Forensic auditors.

Additionally, the irregular expenditure was omitted due to incorrect interpretation of the non-compliance identified. This was uncovered by the forensic investigation report.

32.6 Operating lease - CETA purchased a building during the 2024/25 financial year, this decreased the operating leases commitment and is affecting the prior year disclosure.

32.7 The private colleges do not constitutes related parties as defined, therefore removed.

33. Debt Impairment

Debt impairment	-	112

The CETA has provided for debts impairment of R0 (2024: R112 000)

The debt impairment provision is calculated based on the prospect of collectability of individual debts by considering the current status and/or position of debtors as well as the availability of evidence.

34. Events after the reporting date

The term of office for the Accounting Authority ended on 31 March 2025. The Minister of the Department of Higher Education and Training Authority (DHET) is yet to appoint the new Accounting Authority for the SETAs. Appointment of CETA Chairperson was made on 9 May 2025, and the appointment was subsequently withdrawn on 16 May 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2025 R '000	31 March 2024 Restated* R '000

35. Changes in accounting policy

35.1 Discretionary Grants Commitment and Accruals

During the financial year under review, management developed and applied a new accounting policy on accounting for discretionary grants from 1 April 2024. Management used their judgment in developing and applying the accounting policy because they believe that the change will result in information that is both reliable and relevant.

Nature of the change

The CETA previously raised accruals based on actual invoices received post year-end that relate to work done by the reporting date (31 March of each year). Due to the uncertainty in the timing of receipt of invoices from the service providers, the CETA will continue receiving such invoices but a keep a record of such, and the total invoices received after year end relating to prior periods will form part of the current year prior period adjustment.

To enhance reliability and relevance of information, through the application of GRAP 19, are expenditures already incurred during and up to the reporting date of the CETA (31 March) from training and learning programmes duly awarded by the CETA, which are however yet to be invoiced for by the DG providers or whose invoices may not yet have been received by the CETA as at reporting date but are supported by reliable estimates. Therefore, accruals at year end will be based on reliable estimates, which will be in the form of confirmations of amounts due and payable to the service provider, that are considered reliable, by 31 March 2025.

Impact on the disclosure of DG commitment

The change in accounting policy will be applied prospectively from 1 April 2024 onwards. The retrospective adjustment will be impracticable because the confirmation of balances by the service providers was not used before as a basis for accrual raising at year-end. Management cannot determine the impact of the before practice on the new practice.

CETA HEAD OFFICE AND PROVINCIAL NODES

Head Office	**52 On 14th Road Noordwyk Midrand 1687**
Gauteng	150 Industrial Road Tshwane South TVET College Pretoria West 0183
Limpopo	73 Biccard Street Maneo Building Polokwane Central 0700
Mpumalanga	Disaster Management Building COGTA Building R40 Road Nelspruit 1200
Eastern Cape	No 3 Elton Street Southernwood East London 5200
Free State	Motheo Hillside View TVET College Campus Lobona Motsoeneng Street Mangaung Bloemfontein
KwaZulu-Natal	73 Ramsay Avenue Musgrave Durban 4001
North West (Mahikeng)	Taletso TVET College Dr. Albert Luthuli Drive Next to the SABC Mmabatho 2790
North West (Klerksdorp)	Vuselela TVET College Cooperate Centre 8 Bram Fischer Street Klerksdorp Central 2571
Western Cape	Parc du Cap 3 9-10 Willie Van Schoor Avenue Bellville Cape Town 77418
Northern Cape	45 Schmidtsdrift Road Carters Glen Kimberley 8300

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