



2023/24

Annual

Report

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Safety and Security Sector Education and Training Authority

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Bankers:

Nedbank (*Transacting and short-term investments*)

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

Secretary of the Accounting Authority:

Thandeka Mandleni



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

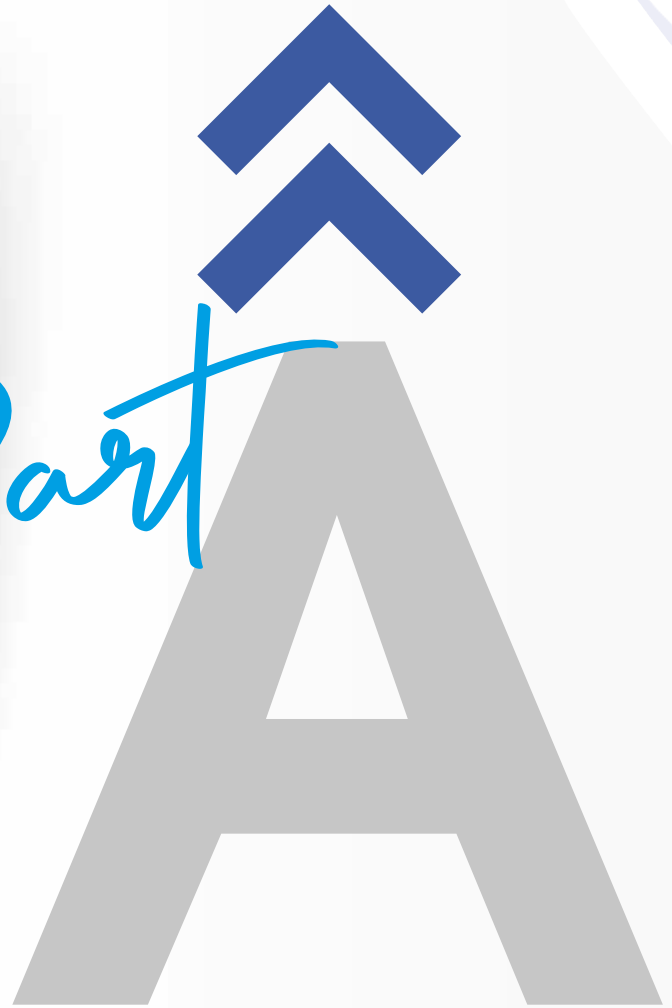
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Part



GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

The world of work is being reshaped, and the prospects of a linear career and job-for-life are no longer an option. As technology replaces routine tasks, people will need to adapt, developing related, uniquely human skills which continue to add value in the workplace. Skills would remain a perfect recipe for success.

The Safety and Security Sector Education and Training Authority (SASSETA) is one of the 21 SETAs that was established and entrusted with the requisite authority to facilitate skills development in the safety and security sector.

The Annual Report of SASSETA is an integral part of financial and non-financial reporting with the intention of promoting accountability and transparency. For the 2023/24 financial year, the SETA is presenting its financial and non-financial information.

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

“Safety and security don’t just happen, they are the result of, collective consensus and public investment. We owe our children, the most vulnerable citizens, in our society, a life free of violence and fear.”

~ Nelson Mandela ~



Mr Chris Mudau

Chairperson of the Accounting Authority

2. FOREWORD BY THE CHAIRPERSON OF THE ACCOUNTING AUTHORITY

Safety and security lies at the heart of the prosperity of any nation. SASSETA remains essential in driving and supporting skills development, significantly addressing skills gaps and mismatches, promoting employment, and boosting productivity within the safety and security sector.

Under the guidance of its Strategic Plan for the period ending March 2025, SASSETA has steadfastly fulfilled its mandate in the safety and security sector, a vital area for our country. Despite ongoing challenges such as poor economic conditions, high unemployment rates, and the increasing number of young people out of employment, education, or training, SASSETA has made notable strides during the 2023/24 financial year.

SASSETA continues to work towards its six strategic skills priority actions to steer its direction: (i) Building and strengthening strategic partnerships, (ii) Advancing programs that support the professionalization and transformation of the sector, (iii) Accelerating the production of information communication and technology (ICT) skills, (iv) Supporting the development of technical and specialized skills, (v) Contributing to building active citizenry, and (vi) Supporting small, medium, and micro enterprises (SMMEs) and entrepreneurship (including cooperatives). I am proud to announce that this year, SASSETA has surpassed expectations by achieving 100% of its targets, an improvement on the 97% achievement of prior year. This accomplishment reflects the dedication and hard work of our team and partners, advancing us toward

the vision of the National Skills Development Plan (NSDP): “An educated, skilled, and capable workforce for South Africa.”

The key achievements for the year under review were among others:

- **Financial and Operational Performance:** SASSETA has consistently outperformed, achieving 100% of its objectives this year and maintaining a record of clean audits, underscoring our commitment to transparency and accountability. Revenue continues to grow, and for this we are thankful to our private and public sector employers.
- **Strategic Partnerships and Professionalization:** We have effectively bolstered our strategic partnerships and advanced initiatives that support the professionalization and transformation of the safety and security sector. We have reevaluated our partnership model, noted gaps that will be addressed going forward.
- **ICT and Specialized Skills Development:** Significant progress has been made in accelerating the production of ICT and technical skills, ensuring our workforce is equipped to meet modern economic demands. Internally, we are implementing a digitisation and automation programme to modernise our processes.

- **Youth Employment Initiatives:** SASSETA continues to implement a number of initiatives to promote youth employment initiatives, demonstrating our dedication to reducing youth unemployment.
- **Support for SMMEs:** We have continued to provide crucial support to SMMEs and entrepreneurship, essential for economic growth and job creation.

The Accounting Authority remains fully aware of its responsibilities to fulfil SASSETA's mandate and contribute to the transformational goals of the Master Skills Plan, the White Paper for Post School Education and Training, the National Skills Development Plan, and the National Development Plan 2030. We are committed to supporting the priorities of the Economic Recovery and Reconstruction Plan's Skills Strategy and will continue to enhance risk management capabilities, promote high performance, and ensure accountability.

There remains a high unemployment rates especially among the youth, with more 3.3 million young people in our country between the ages of 15-24 are not in employment, education, and training and unemployed. SETAs will going forward collaborate to ensure a coordinated approach to skills planning, funding, quality assurance and monitoring, resulting in a skilled competitive workforce that contributes to economic growth and social development.

I extend my deepest gratitude to the members of the Accounting Authority, the Executive Management team, the staff, and all SASSETA stakeholders for their unwavering dedication and hard work. Special thanks to the Minister and Deputy Minister of Higher Education, Science and Innovation for their strategic support and policy guidance, as well as to the DHET senior officials and the SETA Chairperson's Forum for their collaborative efforts.

This report has been approved and is supported by the members of the Accounting Authority and Chamber Committee members appointed for the period ending 31 March 2025. The Accounting Authority has diligently fulfilled all its duties and functions as prescribed in the SASSETA Constitution and applicable legislation.

It is my honour to present SASSETA's Annual Report for the period 1 April 2023 to 31 March 2024.



Chris Mudau (Mr)
Chairperson of the Accounting Authority



Mr Thamsanqa Mdontswa
Chief Executive Officer

3. EXECUTIVE OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

In the 2023/24 Financial Year, SASSETA persevered in its mission to optimize efficiency, effectiveness, and impact. Despite navigating a challenging operating landscape, we are pleased to present another year of solid performance.

Summary of Operational Performance - we are delighted to report that SASSETA achieved 100% of its operational targets outlined in the Annual Performance Plan (APP) for the 2023/24 Financial Year. These targets were approved by the Minister of Higher Education, Science and Innovation and tabled in Parliament. For detailed performance metrics, please refer to Part B of this report.

GENERAL FINANCIAL REVIEW OF THE SETA - REVENUE

During this reporting period, SASSETA recorded revenue of R655.4 million, marking a commendable of R50 million from the previous financial year. Revenue in the amount of R587.8 million was collected from skills development levies, and R8.67 million from penalties and interest and R58.8 million from investments the SETA made with the Corporation for Public Deposits.

We are thankful to the employers in our private and public sector for their contributions.

Expenditure - we incurred expenditure of R612.6 million in the Financial Year under review. R413.9 million was spent on discretionary and mandatory grants and R198.6 million on administration expenses.

Overcoming Challenges Facing the SETA - our project management processes are currently manual and paper-driven, which has posed challenges for the SETA. However, we are excited to announce that we are undergoing a significant transformation to enhance efficiencies by creating a new, technology-driven business model as part of our digital transformation agenda.

We are also making great strides in improving our internal environment by institutionalizing our values, enhancing the skills, capabilities, and competencies of our staff, and strengthening the leadership within our management team. Our aim is to ensure that our shared values are perfectly aligned with our strategy, structure, and systems, fostering a cohesive and supportive environment.

In addition, we are proactively addressing the previously reported challenge regarding the retention of surpluses. The Annual Financial Statements (AFS) reflect discretionary grant surplus amounting to R645.2 million. In compliance with the applicable legal framework, we are ensuring these funds are used responsibly, pending approval from the Executive Authority. We are also committed to fulfilling our multi-year commitments, which total R567.5 million, demonstrating our dedication to long-term planning and stability.

Requests for Rollover of Funds - our Annual Financial Statements reveal a discretionary grant surplus of R645.2 million. These funds, as per regulatory requirements, necessitate approval from the Executive Authority before utilization. We also have multi-year commitments totalling R567.5 million.

Discontinued Activities / Activities to be Discontinued - no activities were discontinued during the reporting period.

New or Proposed Activities - there were no introductions or proposals for new key activities.

Supply Chain Management - SASSETA maintained robust internal control systems and processes over supply chain management, ensuring their continued functionality.

Future Outlook - to address financial challenges, SASSETA has implemented strategies focused on managing administration costs, notably through infrastructure investment over a multi-year strategy. Despite exceeding administration cost limits by R31.4 million in the previous year, necessary approvals were obtained.

Events After the Reporting Date - no significant events occurred after the reporting date.

Irregular Expenditure - in the 2020/21 Financial Year, SASSETA disclosed irregular and fruitless and wasteful expenditure incidents, which were reviewed by the Accounting Authority. In the current financial year, irregular expenditure relating to the same period amounted to R1.26 million primarily attributed to similar process deficiencies and SCM processes.

Economic Viability - our Financial Statements affirm SASSETA's status as a going concern, supported by sufficient reserves and liquid resources to sustain operations for the next 24 months. The current license period extends to 31 March 2030, subject to future proclamations by the Minister of Higher Education Science and Innovation.

Looking ahead, SASSETA is positioned for a promising trajectory characterized by enhanced internal controls, proactive risk management, and streamlined administration. Our commitment to transparency and stakeholder engagement remains unwavering, fostering collaboration and mutual understanding. Operational excellence will remain a focal point, ensuring improved completion rates of learning programs and revamped discretionary grant processes.

On behalf of SASSETA, I extend heartfelt thanks to our clients, partners, and stakeholders for their collaboration and support. Special appreciation goes to our Executive Authority, Director-General, SASSETA Chairperson, AA members, and various committees for their invaluable contributions. I also acknowledge the dedication of the SASSETA Management team and employees for their exceptional commitment and hard work during this Financial Year.

This overview encapsulates SASSETA's journey in the past year and outlines our aspirations for the future. We are confident in our ability to navigate challenges and emerge stronger, guided by our steadfast commitment to excellence and impact.



Thamsanqa Mdontswa (Mr)
Chief Executive Officer

4. 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 throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with guidelines issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- External auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resource information and the financial affairs of the SETA for the year ended 31 March 2023.

Yours faithfully,



Mr Chris Mudau
Chairperson of Accounting Authority



Mr Thamsanqa Mdontswa
Chief Executive Officer

5. STRATEGIC OVERVIEW

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



NSDP 2030 Vision:
An educated, skilled and capable workforce in South Africa.



VISION

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



MISSION

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



VALUES

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

PROFESSIONALISM

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

ACCOUNTABILITY, TRANSPARENCY AND INTEGRITY

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

LEADERSHIP

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

EQUITY

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

South Africa population in 2023 is estimated at ...

60,6 millions

6. LEGISLATIVE AND OTHER MANDATES

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

The activities of the SETA are regulated by the Skills Development Act, Act 97 of 1998, which mandates the SETAs to facilitate and advance the production of skills development in their respective economic sectors. The SETA is also advancing the wide range of pieces of legislations and policies, among others:

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

Everyone has the right:

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

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

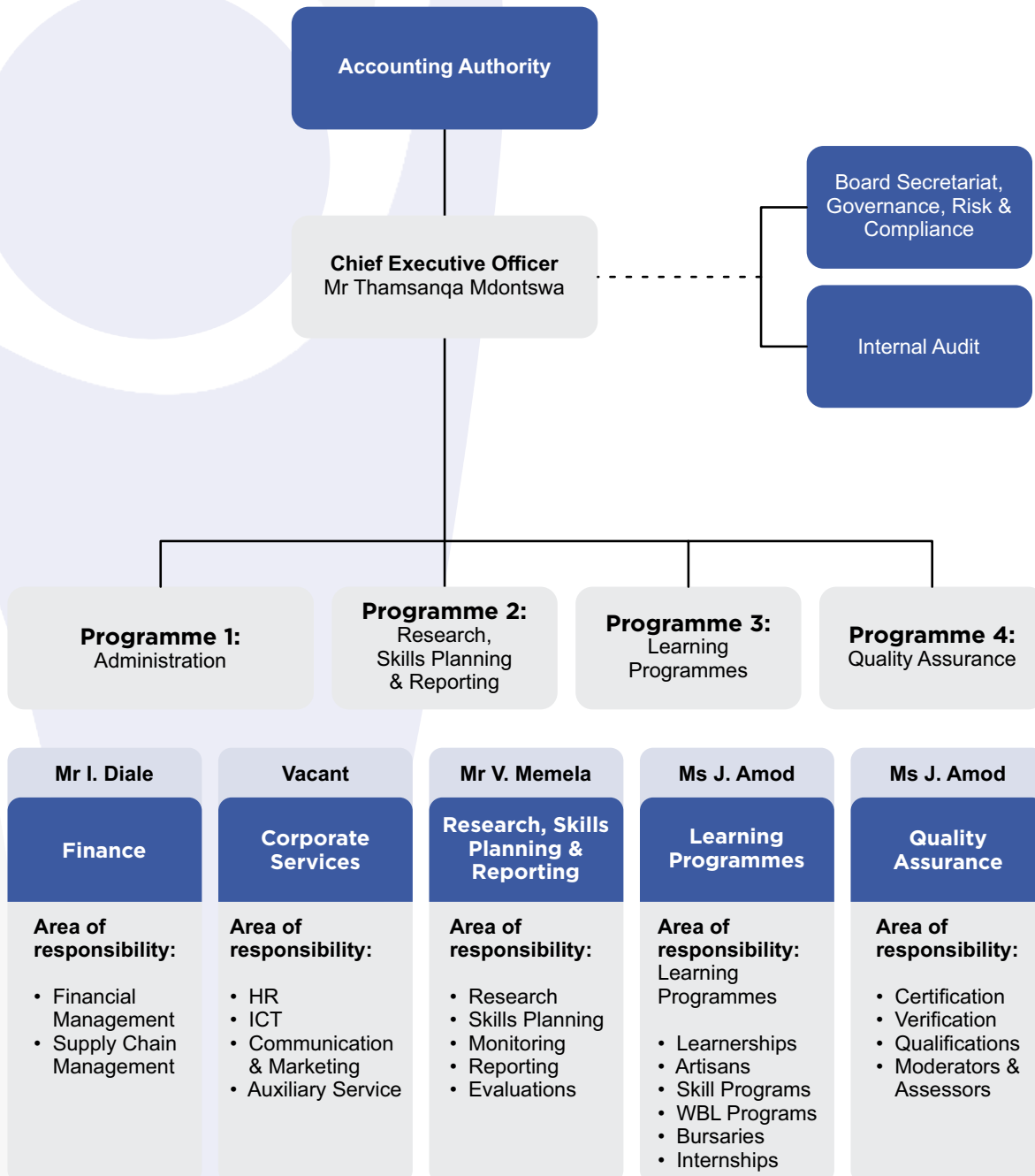
The following national strategies and policies guide SASSETA's strategy and operations:

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

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

SIC CODES	SUBSECTOR	CONSTITUENCY
9110A*	Policing	<ul style="list-style-type: none"> The Independent Complaints Directorate (IPID), The Secretariat for Safety and Security, Civilian Secretariat for Police, The South African Police Service (SAPS)
91301 91302		<ul style="list-style-type: none"> Municipal and Metro Police Services, Traffic Management / Law Enforcement Road Traffic Management Corporation (RMTC)
9110B*	Corrections	<ul style="list-style-type: none"> The Department of Correctional Services (DCS) Private correctional services providers
		<ul style="list-style-type: none"> Kutama Sinthumule Correctional Centre Mangaung Correctional Centre
		<ul style="list-style-type: none"> Judicial Inspectorate for Correctional Services Correctional Supervision and Parole Boards
9110D*	Defence	<ul style="list-style-type: none"> The Department of Defence (DOD) South African National Defence Force (SANDF), SA Navy, SA Air force SA Military Health
9110C*	Justice	<ul style="list-style-type: none"> The Department of Justice and Constitutional Development (DoJCD) National Prosecuting Authority (NPA), Special Investigations Unit (SIU)
91104	Intelligence Activities	<ul style="list-style-type: none"> The National Intelligence Agency (NIA)
91105		<ul style="list-style-type: none"> The South African Secret Service (SASS)
88110	Legal Services	<ul style="list-style-type: none"> Legal and paralegal services Sheriffs
88111		<ul style="list-style-type: none"> Legal Aid Services
88920	Private Security and Investigation Activities	<ul style="list-style-type: none"> Private security, investigation, and polygraph services

7. ORGANISATIONAL STRUCTURE







Part

B

**PERFORMANCE
INFORMATION**



8. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Auditor-General's report: Report on the audit of Performance Information

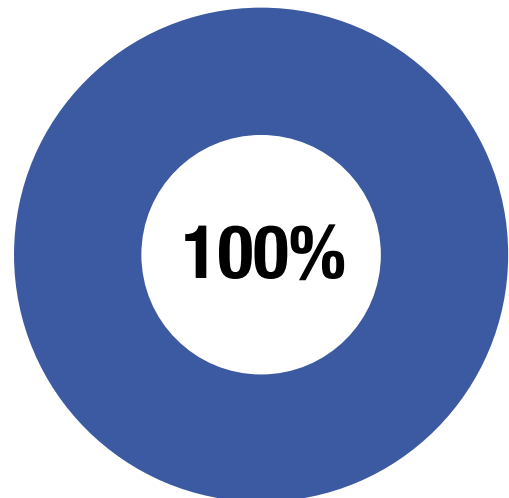
Refer to paragraphs 10 – 15 of the Auditor-General's report on page 79.

9. OVERVIEW OF ORGANISATIONAL PERFORMANCE

The Auditor-General had performed the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion as detailed in paragraphs 1 - 26 of the Auditors report on pages 78 - 80.

2023 - 2024 Audit Outcome

SASSETA achieved 100% of its targets planned in the 2023/24 Annual Performance Plan. The SETA is on track to meet its five-year targets.

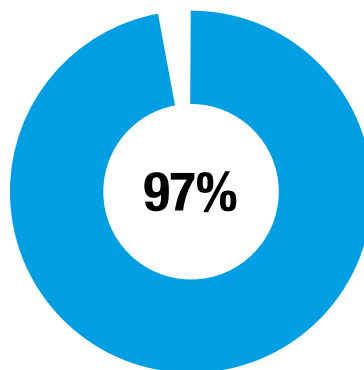


2021 - 2023 Audit Outcomes



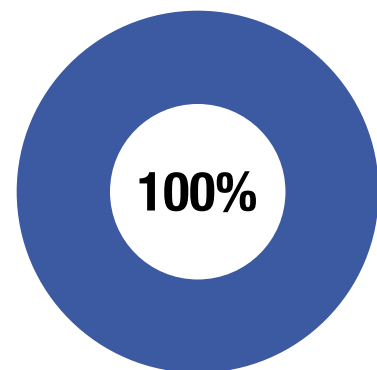
Clean Audit

2021/22



Clean Audit

2022/23



Clean Audit

2023/24

10. PROGRESS TOWARDS ACHIEVEMENT OF IMPACTS AND OUTCOMES

Understanding the complexities in sectoral occupations in high demand can help to shift the emphasis on programmes and maximise investments in the production of the skills, competencies and occupations in demand, but also the scarcity of quality jobs and strategic workforce planning. The organisation has met all its statutory obligations including the submission of the Strategic Plan, Medium Term Expenditure Framework, the Sector Skills Plan (SSP) and the Annual Report for the period under review. The overall organisational strategic goal is to contribute towards ensuring that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development.

SASSETA identified six (6) strategic skills priority actions to drive its strategic direction, namely: (i) Building and strengthening strategic partnerships, (ii) Advancing programmes that support professionalisation and transformation of the sector, (iii) Accelerating the production of information communication and technology (ICT) skills, (v) Supporting the production of technical and specialised skills, (vi) Contributing toward building active citizenry, and (vii) Supporting small, medium and micro enterprises (SMMEs) & Entrepreneurships (Incl. Co-operatives).

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

- Build and strengthen collaboration with stakeholders to advance skills development within the sector.
- Enhanced risk intelligence to promote good governance and an ethical environment
- Identified occupations in high demand
- Increased production of occupations in high demand
- Linking education and the workplace
- Improved level of skills in the safety and security sector
- Increased access to occupationally directed programmes
- The growth of the public college system supported
- Ensured efficiency in the delivery of occupational qualifications for the safety and security sector

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

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

11.1 PROGRAMME 1: ADMINISTRATION

Programme purpose: This programme provides strategic leadership, management and administrative support services to the organisation.

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

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

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

Programme 1 contained a total of two indicators in the tabled Annual Performance Plan (APP) for the 2023/24 financial year. Programme 1 achieved 100% of its annual targets as at 31 March 2024 and all targets were achieved as scheduled. The table below reports on outcomes, outputs, output indicators, targets, actual achievements, variances and reasons for deviations against the tabled APP for the 2023/24 financial year.

2023/24 FINANCIAL YEAR GAINS AND CONTINUOUS IMPROVEMENTS

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

2023/24 FINANCIAL YEAR CHALLENGES

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

PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	
Strengthened collaboration with stakeholders to advance skills development within the sector	Newly established partnerships with stakeholders	Number of newly established partnerships with stakeholders to promote skills development within the sector by 31 March 2024	4	
Enhance risk intelligence to promote good governance and ethical environment	Risk Management Framework fully implemented	Implemented Risk Management Framework which consists of Risk Management Policy, PFMA Quarterly Compliance Charter, and Good Governance Quarterly Report by 31 March 2023	100%	
	Maintain the risk maturity assessment level 5 (100% achievement)	Maintain annual assessment of Risk anagement maturity level 5 by 31 March 2024	-	

	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	*Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators / Annual Targets
	4	4	8	Annual target overachieved +4	More strategic partners came forward with skills needs aligned with our mandate.	No revisions were made
	100%	-	-	-	-	No revisions were made
	-	Level 5	Level 5	-	-	

FINANCE AND SUPPLY CHAIN MANAGEMENT SUB-PROGRAMME

Overview

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

Policy Development

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

Revenue

Levies received from the Private Sector and Government Departments amounted to R456 million and R131.7 million, respectively while investment income was R58.8 million. Private sector levies account for 70% of the total revenue collected. Penalties and interest of R8.6 million were from late payments of levies by employers which contributed to the SETA's performance income.

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

Investment income of R58.8 million is earned from surplus funds invested with the South African Reserve Bank - Corporation for Public Deposits Account. This amount accounts for 8.9% of the total revenue collected. Other income for the financial year amounted to R55 thousand and was mainly from a grant received.

Sources of Revenue	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
Skills Development Levy: Private Companies	454 090	456 016	1 926	412 372	423 236	10 864
Skills Development Levy: Government Departments	134 679	131 763	(2 916)	121 248	126 977	5 729
Skills Development Levy: Penalties and Interest	10 779	8 674	(2 105)	13 235	10 240	(2 995)
Other Income	-	55	55	-	2 693	2 693
Investment Income	60 677	58 820	(1 857)	36 176	38 366	2 190
Total	660 225	655 328	(4 897)	583 031	601 512	18 481

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

Capital Investment

The SETA invested in the integrated management information system (IMIS) which is at the advanced stage of implementation and the processes automation project which is at the planning stage of implementation. It is anticipated that these projects will be finalised during the 2024-2025 financial year.

Expenditure

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

Commitments

SASSETA continued to manage and sustain its commitments balances from the previous financial years within the acceptable norm and without over-committing the organisation. The increasing balance of commitments to R563.1 million is mainly because of the delayed implementation of awarded projects which, in most cases, was outside of the SETA's control.

Irregular Expenditure

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

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

Challenges

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

Future Goals

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

Measures to Address Under-performance

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

Changes to the Planned Targets

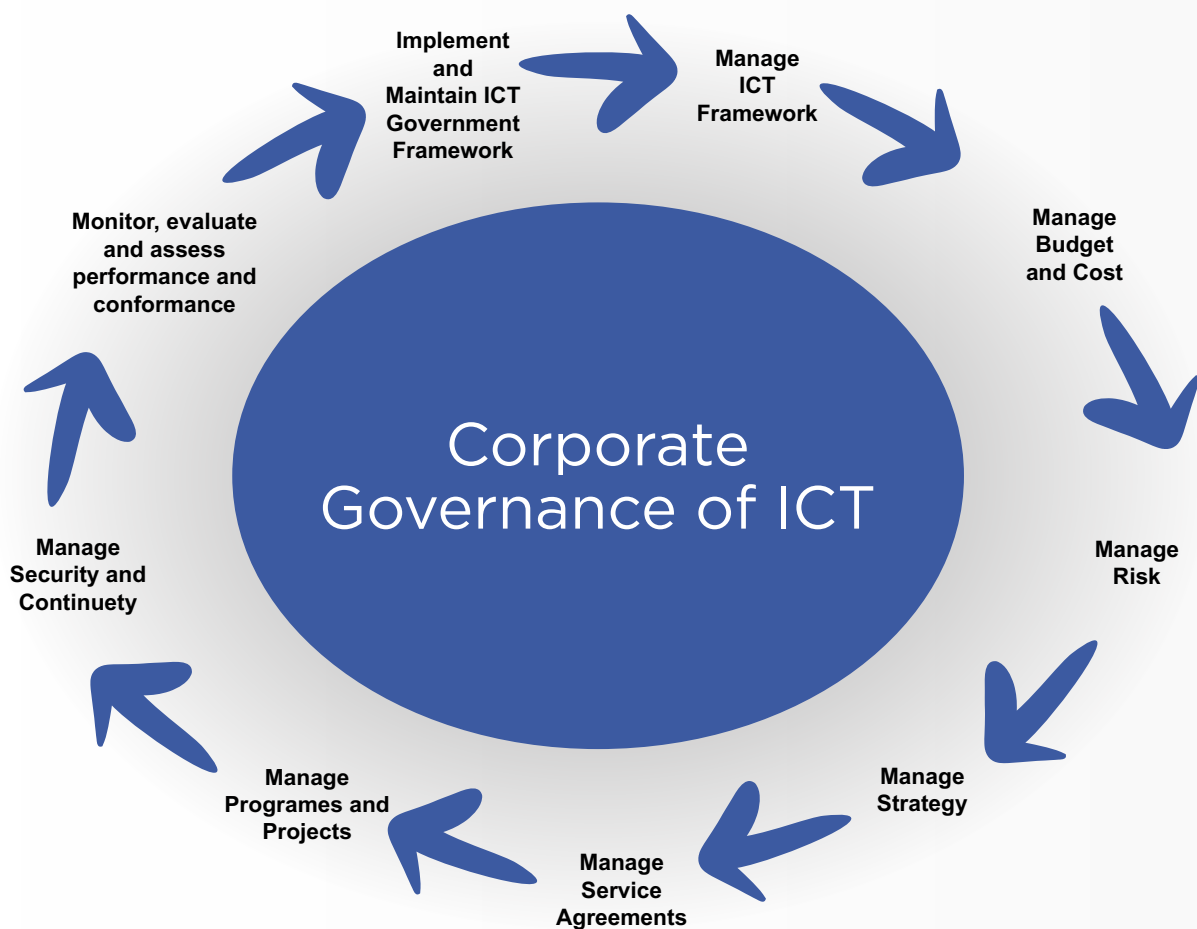
There were no changes to planned targets during the 2023/2024 financial year.

ICT SUB-PROGRAMME

Overview

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

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



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

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

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

The Human Resource Management System, Infrastructure Capacity and Management Tool, Intranet, Financial System, Call Centre Management System and the Supply Chain Module in the Financial System were strengthened during the year under review. Intensive capacity building of internal stakeholders (management and employees), as well as external stakeholders and partners, around the dynamics of remote working.

Maintain and implement Disaster Recovery test plans and comply with assurance requirements relating to the approval of the Disaster Recovery Plan, alternate site, test plans, and off-site storage of the plan. Stabilisation of the infrastructure, network, and security environments, as well as the implementation of effective and efficient service level management. Automation of manual business processes, and integration of processes already automated and digitised.

Policy Development

To strengthen the ICT Governance and Operations, support, and enablement of SASSETA ICT policies relating to Logical Security, User Account Management, Patch Management, Antivirus Management, Backup and Retention Management, Cyber Security, Change Management, Incident Response Policy, Vulnerability Management, Data Management, Privacy Management, Internet and Email Management, Disaster Recovery Management Acceptable Use Management, ICT Digital and Electronic Signature Policy, ICT Proof of Concept, Prototype and Pilot Policy, ICT Tools of Trade Policy, ICT Steering Committee Charter, ICT Master Systems Plan (MSP), and ICT Governance Framework were developed and implemented. The newly developed policies will be implemented in the future.

ACHIEVEMENTS

- ICT Strategy and Master Systems Plan which incorporates the Digital Transformation Strategy that is aligned to the Strategic Plan and Annual Performance Plan.
- ICT Governance in compliance with best practice frameworks like King IV principles, Corporate Governance of Information, Communication and Technology Policy Framework (CGICTPF), Control Objectives for Information and Related Technology (CORBIT), Information Technology Infrastructure Library (ITIL), and International Standards Organisation (ISO).
- The Digital Transformation Strategy, Data Management Strategy, Project Management Framework, and Disaster Recovery Plan have been implemented.
- The implementation of Office 365 enabled remote working during the lockdown and facilitated the digitisation platform for our employees, external stakeholders, and partners.
- Implemented Information Security Management Systems through ISO 27001 for the purpose of compliance. Activities carried out include, but not limited to, Patch Management, End-to-End Management, Vulnerability Management, Firewall Security Management, etc.
- Fully implemented and tested Disaster Recovery Plan. Concluded a reciprocal agreement with the Energy & Water Sector Education Training Authority (EWSETA) in relation to the provisioning of Business Continuity from a Disaster Recovery Planning perspective.
- Development of an enhanced Integrated Management Information System is progress.



Challenges

- Inadequate integration of organisation systems and the capacity to provide a holistic view of the business performance. This is being addressed by investing in and optimising in ICT to meet the changing business needs.
- The possibility of cyber threats or hacking of the ICT environment could result in business disruption.

Future Goals

- In alignment to the ICT MSP, integration of organisation ICT systems and business processes to meet organisation needs.
- Implementation of all ICT and organisation initiatives as per the ICT MSP.
- Effective and efficient ICT Infrastructure hardware and software (99% uptime).

Measures to Address Under-performance

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

Changes to the Planned Targets

- There were no changes to planned targets during the 2023/2024 financial year.

MARKETING AND COMMUNICATIONS SUB-PROGRAMME

Overview

The purpose of the Marketing and Communications sub-programme is to promote the SASSETA brand and enhance stakeholder relations. The focus is to ensure that the message to stakeholders, both internal and external, is consistent.

The Marketing and Communications utilises various platforms e.g. digital communication, advertising and events, to disseminate the SASSETA message and raise brand awareness.

The sub-programme ensures that all stakeholders are reached by the communication from the SETA.

Policy development

The Marketing and Communications Policies were approved on 12 October 2022 and will be reviewed in the 2024/2025 financial year.

There were no new significant amendments to SASSETA's regulatory environment that necessitated the update of the policies during the 2023/2024 financial year.

ACHIEVEMENTS



- **Digital stakeholder communications**

SASSETA has increased its utilisation of the digital platforms in communicating with the stakeholders.

The communication is via emailers, the newsletter – The Safety Plug, website and social media posting. The engagements, well received by stakeholders, keeps them updated on SASSETA developments.

- **Email marketing**

Emailers are the main form of maintaining constant communication with the SASSETA external stakeholders. This platform is used to share the SETA news updates and offering call to action to participate in operational functions such as the Mandatory Grant and Discretionary Grant processes.

The electronic quarterly newsletter, The Safety Plug, also keeps stakeholders informed of any organisational news updates, announcements, developments.

- **Eventing**

SASSETA staged a successful hybrid AGM in November 2023.

The AGM event is posted on the SASSETA website. SASSETA also hosted Career Expos, ETQA stakeholder engagements and the WSP/ATS Roadshows. The Marketing and Communications department offered the support services in staging these events.

- **Internal Communications**

Snippets is the email platform utilised to continuously communicate the campaigns and organisational developments with internal stakeholders.

- **Social Media**

SASSETA has continued utilising the social media platforms as one of the channels to communicate with stakeholders.

The SASSETA Facebook page, SASSETA – Safety and Security SETA, which was started on 2nd of March 2022 after the hacking of the previous page now has 4,267 followers. X, formerly Twitter, and LinkedIn are also utilised.

Challenges

SASSETA has made inroads in its efforts of reaching in the rural and marginalised communities. These efforts continue to increase the awareness of the safety and security sector as a career destination.

The efforts to focus and increase the communication in the rural communities will continue in the 2024/2025 financial year.

Future goals

- Increasing the frequency and hosting of stakeholder communications
- Increasing the reach into rural and marginalised communities.

Measures to address under-performance.

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

Changes to the planned targets

There were no changes to planned targets during the 2023/2024 financial year.

AUXILIARY SERVICES SUB-PROGRAMME

Overview

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

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

Policy Development

There were operational changes in the occupational health and safety (OHS) environment, that necessitated the review of the following policies to ensure alignment with OHS practices:

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

ACHIEVEMENTS



- Annual service of the fire maintenance equipment was conducted, and a certificate of service was issued.
- OHS workshop was executed and attendance certificates and appointments letters were issued to OHS Committee members.
- The statutory annual emergency evacuation drill was conducted in line with the OHS Act requirements.
- First-Aid Room was created in the workplace for injury on duties and life-saving care until professional medical care arrives.
- The organisation's fleet is closely managed to ensure no abuse and/or unnecessary damage that will incur cost. The fleet is also serviced regularly to ensure that vehicles are in a good condition.
- A well-rounded Security Services Management is in place and discharges their responsibilities in line with the Control of Access to Public Premises and Vehicle Act.
- Hand-held scanners are used to detect threat objects, e.g., weapons.
- Maintenance of Heating, Ventilation and Air-conditioning (HVAC) systems.
- Close-circuit Television (CCTV) was installed in all strategic areas.
- 24-hour response and panic buttons are in place for emergency purposes.

Challenges

- Improve spatial planning – our internal storerooms are not designed to keep files and other equipment, e.g., machines.
- COVID-19 fatigue leading to staff lowering their guard on non-clinical protocols.
- Collaboration with the Marketing and Communications department to continuously educate staff.
- Ignorance by staff to follow OHS Policy in the workplace, e.g., smoking in the workplace.

Future Goals

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

Measures to Address Under-performance

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

Changes to the Planned Targets for the Sub-programme

There were no changes to planned targets during the 2023/2024 financial year.

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

Programme Purpose: This programme advances skills development in the sector through research, skills planning, monitoring, evaluation and reporting. It champions research and develops the SSP which profiles the sector's skills demand and supply. It also tracks and reports on performance progress against targets set and conducts impact assessments of SASSETA's skills development interventions.

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

- Increased production of occupations in high demand.

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

Programme 2 contained a total of six indicators in the tabled APP for the 2023/24 financial year. Programme 2 achieved 100% of its annual targets as at 31 March 2024 and all targets were achieved as scheduled. The table below reports on outcomes, outputs, output indicators, targets, actual achievements, variances and reasons for deviations against the tabled APP for the 2023/24 financial year.

2023/24 Financial Year Gains and Continuous Improvements

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

PROGRAMME 2: RESEARCH, SKILLS PLANNING AND REPORTING

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	
Identified occupations in high demand	Conducting and publishing research reports.	The number of research studies focused on skills development matters that are completed by 31 March 2024	4	4	
	Conducting and publishing evaluation reports	The number of evaluations (tracer studies) and or impact studies focussed on skills development matters completed by 31 March 2024	4	4	
	2024/25 update of the SSP approved by SASSETA Board and submitted to DHET	2024/25 update of the SSP approved by SASSETA Board and submitted to DHET by the due date	2022/23 Update of the SSP approved by SASSETA Board and submitted to DHET by due date	2023/24 Update of the SSP approved by SASSETA Board and submitted to DHET by due date	
Identified occupations in high demand	Number of approved WSPs/ATRs for small, medium and large firms	Number of approved WSPs/ATRs for small firms by the 31 March 2024.	New indicator	New indicator	
		Number of approved WSPs/ATRs for medium firms by the 31 March 2024.	New indicator	New indicator	
		Number of approved WSPs/ATRs for large firms by the 31 March 2024.	New indicator	New indicator	

	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators Annual Targets
	6	6	Annual target achieved	n/a	No revisions were made
	6	6	Annual target achieved	n/a	No revisions were made
	2024/25 Update of the SSP approved by SASSETA Board and submitted to DHET by due date	2024/25 Update of the SSP approved by SASSETA Board and submitted to DHET by due date	Annual target achieved	n/a	No revisions were made
	330	482	Target overachieved +152	More employers submitted their mandatory grant applications than anticipated.	No revisions were made
	144	197	Target overachieved +53	More employers submitted their mandatory grant applications than anticipated.	No revisions were made
	165	316	Target overachieved +151	More employers submitted their mandatory grant applications than anticipated.	No revisions were made

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

SASSETA's Research Agenda provides in-depth insight into the nature of skills needs for the sector and informs the SETA's Strategic Plan. The following research topics were undertaken during the period under review:

- 2024/25 SSP Update.
- Trade Unions Proposals
- Assessing the Effectiveness of Civilian Oversight in executing their mandate in the Safety and Security Sector
- Exploring the factors which hinder the effectiveness of vocational education programs in the correctional sub-sector
- Exploring the police-to-population ratio as an influence on crime in the South African community.
- Cybersecurity
- Exploring the consequences of utilizing non-complaint security service providers in the security sector

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

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

- Impact study of internship programme post work placement within SASSETA
- Evaluation study of GSP skills programme training on unemployed and employed learners
- Evaluation study of SSP (NQF4) learnership programme in the Safety and Security Sector
- Tracer Study of Candidate Attorneys
- Evaluation study of Artisan Development programme
- Evaluation study of quantifying the rate of return on investment through SASSETA partnerships

Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs): Mandatory grants form a key part of SASSETA's discharge of its statutory mandate and achievements of the goals set out in the SDA. It gives effect to the SETA grants read with Section 3(1) of the , SDLA which define mandatory grant as a payment made to all levy paying organisations upon submission of WSPs and ATRs.

In pursuance of the SDA, SDLA and SETA Grant Regulations, SETAs must disburse grants in a manner that is consistent with the Constitutional principles of transparency, fairness and equity. WSPs and ATRs are critical in providing detailed baseline statistical information on the sector. During the year under review, a total of 1 007 WSPs/ATRs have been received, evaluated and approved in line with the requirements. SASSETA has achieved the service level agreement (SLA) targets in all company categories.

11.3. PROGRAMME 3: LEARNING PROGRAMMES

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

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

- Increased production of occupations in high demand
- Linking education and the workplace
- Improved level of skills in the Safety and Security Sector
- Increased access to occupationally directed programmes
- The growth of the public college system supported

Sub-programmes: Functions falling within the ambit of this programme include the implementation of Learnerships, Bursaries, Skills Programs, Support to Centers of Specialization, Artisans training and Work-Integrated Learning (Candidacy Placements, Internships, TVET and University Placements)

Programme 3 contained a total of 28 indicators. 11 252 learners were supported under the period of review. Programme 3 achieved 100% of its annual targets for the 2023/2024 financial year. None of the annual targets were not achieved. The table below reports on outcomes, outputs, output indicators, targets, actual achievements, variances and reasons for deviations against the tabled APP for the 2023/24 financial year.

2023/2024 financial year gains and continuous improvements

All older learning programs delayed due to Covid 19 and other issues experienced in the country were prioritised for completion and catch-up plans were developed and implemented. 274 learning programs were duly closed in the financial year. This is a pronounced achievement that will be built upon in the 2024/2025 financial year.

There has been an increase in investment in skills development for employees in the sector and unemployed youth. Expenditure on previously non-moving projects has considerably risen after the implementation of well-designed capacity building initiatives for stakeholders implementing learning programs in partnership with SASSETA.

SASSETA collaborated with other SETAs to ensure that learners on programs being quality assured by those SETAs were certified without much delay, as used to be the case in prior years.

The full implementation of all approved positions in the structure was implemented, together with the unit organizing itself in a matter to service the sub-sectors more effectively. Learning Programs Staff are divided such that there is a responsible team servicing learning program management for all critical subsectors. This has already proven to be quite effective in terms of enhancing communication between the stakeholders and SASSETA.

There was also five (5) dedicated capacity building and stakeholder engagement sessions with stakeholders, taking them through the Standard Operating Processes of the Learning Programs Unit. Capacity was also provided to stakeholders in terms of how the learning programs contracts should be implemented and key requirements that need to be delivered upon for payment purposes. This initiative will be intensified during future outer years.

2023/2024 financial year challenges

The delayed awarding of Discretionary Grants for the implementation of Learning Programs has persisted. This has had a ripple effect in terms of the timeous meeting of quarterly performance targets.

Although significant strides have been made in the design of the automation of the management of learning programs projects, the new system has not been implemented.

PROGRAMME 3: LEARNING PROGRAMMES

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	
Increased production of occupations in high demand	Bursaries allocated for unemployed youth by 31 March 2024	Number of bursary agreements entered into for unemployed youth by 31 March 2024	201	230	
	Unemployed youth completed studies through bursaries awarded in prior years by 31 March 2024	Number of unemployed youth who completed studies under a SASSETA-funded Bursary by 31 March 2024	55	65	
Linking Education and the Workplace	TVET students entered work-integrated learning placement programmes by 31 March 2024	Number of TVET students entered work- integrated learning placement programmes by 31 March 2024	511	655	
	TVET students completed work- integrated learning placement programmes by 31 March 2024	Number of TVET students who completed work- integrated learning placement programmes by 31 March 2024	561	335	
Linking Education and the Workplace	University of technology students provided with work-integrated learning to complete their qualifications	Number of university of technology students placed in work- integrated learning by 31 March 2024	311	312	
	University of technology students placed who complete work-integrated learning thereby enabling them to complete their qualifications in due course	Number of University of Technology students who complete their work integrated learning by 31 March 2024, thereby enabling them to complete their qualifications	55	290	

	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators Annual Targets
	235	263	Annual target overachieved +28	There was a directive from DHET requiring SETAs to support additional students who fell under the “missing middle” category and additional revenue received were used to support more learners	No revisions were made
	60	62	Annual target overachieved +2	More students than initially anticipated successfully completed their studies	No revisions were made
	500	590	Annual target overachieved +90	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	560	590	Annual target overachieved +30	More students than initially anticipated successfully completed their studies	No revisions were made
	320	344	Annual target overachieved +24	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	290	311	Annual target overachieved +21	More learners than anticipated successfully completed training	No revisions were made

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	
Linking Education and the Workplace	Graduates entered workplace-based learning programmes in strong partnerships with the industry	Number of law graduates placed in candidacy programmes by 31 March 2024	166	186	
	Graduates/completed workplace-based learning programmes	Number of law graduates placed; completing candidacy programmes by 31 March 2024	63	93	
	Graduates entered workplace-based learning programmes in strong partnerships with the industry	Number of graduates and interns entered workplace-based learning programmes, in partnership with industry, by 31 March 2024	503	602	
	Graduates completed workplace-based learning programmes	Number of graduates and interns who completed workplace-based learning programmes by 31 March 2024	114	255	
Linking Education and the Workplace	Unemployed learners entered learnerships by 31 March 2024	Number of unemployed learners entered learnerships by 31 March 2024	1020	1459	
	Unemployed learners completed learnerships by 31 March 2024	Number of unemployed learners who completed learnerships by 31 March 2024	490	513	
Improved level of skills in the Safety and Security Sector	Employed learners entered learnerships by 31 March 2024	Number of employed learners entered learnerships by 31 March 2024	504	725	
	Employed learners completed learnerships by 31 March 2024	Number of employed learners who completed learnerships by 31 March 2024	260	316	

	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators Annual Targets
	150	208	Annual target overachieved +58	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	75	124	Annual target overachieved +49	More learners than anticipated successfully completed training	No revisions were made
	600	1022	Annual target overachieved +422	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	400	476	Annual target overachieved +76	More learners than initially anticipated successfully completed training	No revisions were made
	1200	1222	Annual target overachieved +22	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	1000	1016	Annual target overachieved +16	More learners than initially anticipated successfully completed training	No revisions were made
	605	706	Annual target overachieved +101	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	360	479	Annual target overachieved +119	More learners than anticipated successfully completed training	No revisions were made

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	
Improved level of skills in the Safety and Security Sector	Employed learners entered bursary agreements by 31 March 2024	Number of employed learners entered bursary agreements by 31 March 2024	82	95	
	Employed learners holding bursaries who completed studies by 31 March 2024	Number of SASSETA funded employed learners having bursaries who completed studies by 31 March 2024	35	37	
	Employed learners entered skills programmes/ short courses by 31 March 2024	Number of employed learners entered skills programmes/short courses by 31 March 2024	1449	1457	
	Employed learners completed skills programmes/ short courses by 31 March 2024	Number of employed learners completed skills programmes/short courses by 31 March 2024	908	915	
Increased access to occupationally directed programmes	Learners entering artisan-related learning programmes by 31 March 2024	Number of learners entering artisan-related learning programmes by 31 March 2024	111	105	
	Learners completing artisan-related learning programmes by 31 March 2024	Number of persons declared competent on Trade Tests by 31 March 2024	50	53	
	Support the TVET colleges	Number of MOUs entered into with Centres of Specialisations aimed at supporting the centre by 31 March 2024	New indicator		
Increased access to occupationally directed programmes	Employed learners entering RPL programmes by 31 March 2024	Number of learners entering Recognition of Prior Learning Programmes by 31 March 2024	New indicator		

	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators Annual Targets
	100	104	Annual target overachieved +4	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	40	47	Annual target overachieved +7	More learners than initially anticipated successfully completed training	No revisions were made
	1500	1528	Annual target overachieved +28	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	975	1016	Annual target overachieved +41	More learners than initially anticipated successfully completed training	No revisions were made
	120	127	Annual target overachieved +7	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	55	57	Annual target overachieved +2	More learners than initially anticipated successfully completed training	No revisions were made
	1	1	Annual target achieved	Target Achieved	No revisions were made
	50	51	Annual target overachieved +1	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	
Increased access to occupationally directed programmes	Employed learners completed RPL programmes by 31 March 2024	Number of learners completed Recognition of Prior Learning Programmes by 31 March 2024	New indicator		
	Entrepreneurs supported by 31 March 2024	Number of entrepreneurs supported by 31 March 2024	16	32	
The growth of the public college systems supported.	Unemployed learners entered skills programmes/ short courses by 31 March 2024	Number of unemployed learners entered skills programmes/short courses by 31 March 2024	407	414	
	Unemployed learners completed skills programmes/ short courses by 31 March 2024	Number of unemployed learners completed skills programmes/short courses by 31 March 2024	208	360	
Support career development services	Provision of career guidance	Number of career development events in urban and rural areas focussing on occupations in high demand by 31 March 2024	New indicator		
		Number of Capacity Building Workshops on Career Development Services held by 31 March 2024	New indicator		

	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators Annual Targets
	45	50	Annual target overachieved +5	More learners than initially anticipated successfully completed training	No revisions were made
	15	16	Annual target overachieved +1	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	420	486	Annual target overachieved +66	Revenue was higher than initially budgeted and excess funds were used to support more learners than initially planned	No revisions were made
	250	260	Annual target overachieved +10	More learners than initially anticipated successfully completed training	No revisions were made
	25	29	Annual target overachieved +4	Revenue was higher than initially budgeted and excess funds were used to support more career guidance events	No revisions were made
	1	1	Annual target achieved	Target achieved	No revisions were made

The Employed and Unemployed Learners Entering and Completing Learnerships

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

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

Employed and Unemployed Learners Entering and Completing Skills Programs

One of the ways a learner can achieve a qualification is through skills programmes, which are shorter, bite-size learning programmes which are ideal for topping up existing skills. Most employed people prefer this to learnerships as they are easy to balance against work demands. In the current year, SASSETA has enrolled 1,512 employed learners and 487 unemployed learners on Skills Programs. In line with the National Skills Development Plan, SASSETA has partnered with the Kwa Zulu Natal Community Education and Training College in the delivery of Skills Programs for both entered and completed initiatives. Some of the programmes that were prioritized included the below:

1. Legal Bookkeeping
2. Advanced Driving
3. Fire Fighting

With advanced driving the purpose was to train members of the criminal justice system to be better at executing high speed chases and matters like the transportation of prisoners. With the surge in fires in our country, SASSETA decided to support employees in the sector with skills to fight fires.

The following is a summary of some of the key achievements which advanced our strategic objectives during the period under review:

Unemployed Learner Absorptions after Completion of WBL and Learnership Programmes

39 Learners under various WBL and Learnership Programmes duly completed their training and were absorbed into employment by employers. The required evidence was supplied to the SETA. There are a few more learners who were absorbed, however could not provide the required evidence due to matters of non-disclosure of personal information. This has the direct impact in terms of the lowering of the rising unemployment figures in the country. There has been considerable increase in the absorptions from the prior years. A lot more emphasis is given in this area to ensure that we as the SASSETA assist in curbing the unemployment rate.

Artisan Programmes for Department of Correctional Services Employees

Although this programme took long to complete with the delays experienced during COVID 19, we have since had 21 successful completions under various trades. This is an achievement as these qualified artisans will now be able to assist in the training of the offenders in their rehabilitation process to ensure that the offender upon being released would have attained some skills to continue in their life outside prison.

Historical Debt Clearance: In response to the outcry of students at various universities, SASSETA continued to provide funding to universities for the clearing of debt of students in need.

11.4 PROGRAMME 4: QUALITY ASSURANCE (ETQA)

Overview

The SASSETA ETQA functions are mandated from the DHET and the Quality Council for Trades and Occupations (QCTO). The purpose of this programme is to ensure Quality Education and Training are delivered. The ultimate end is for qualifying learners to be certified timeously. The functional areas include the accreditation of Skills Development Providers, registration of Assessors and Moderators, development of Occupational Qualifications to address occupations in high demand and Learner Certification.

Learner certification functions entail verification of learner results to ensure the integrity of certificates issued to successful learners and to award them with a qualification and/or credits for unit standards. SASSETA's learner certification processes promote principles of assessment and learner information is recorded and uploaded on the National Learner Record Database (NLRD) hosted at SAQA on a quarterly basis.

These functions are performed on delegation of the QCTO. These functions have been delegated to SASSETA until the 31 March 2030.

The Sub-programme consists of the following:

- Qualification Development
- Accreditation
- Quality Assurance
- Assessment
- Certification

PROGRAMME 4: QUALITY ASSURANCE (ETQA)

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	
Ensure efficiency in the delivery of occupational qualifications for the safety and security sector	Occupational qualifications submitted to QCTO for registration	Number of qualifications realigned or newly developed in the sector and submitted to QCTO for approval by 31 March 2024	3	4	

Skills Development Provider Capacity Building Workshop

The QCTO is striving towards the implementation of one Quality Assurance System of registered qualifications on the Occupational Qualifications Sub-Framework (OQSF). All legacy qualifications expired on 30 June 2023, with the last enrolment date scheduled for 30 June 2024. Accordingly, ETQA embarked on several Capacity Building Workshops aimed at accredited Skills Development Providers to keep stakeholders informed about the new standards and the replacement of legacy qualifications.

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

No	Category of Accreditation	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
1.	Monitoring Visits	15	15	13	18	61
2.	Verification of learner achievement results	85	38	64	54	241
3.	Assessor Registration	51	34	36	45	166
4.	Moderator Registration	18	19	16	12	65
5.	Certification	3377	1667	2558	2566	10168

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

Curriculum ID	Occupational Qualification Title	NQF Level	Credits
134914	Advanced Occupational Certificate: Security Manager in Correctional Science	6	292
341110-001-00-00	Advanced Occupational Certificate: Asset Forfeiture Practitioner	6	155
291906-001-00-00	Advanced Occupational Diploma: Court Preparation Officer	7	120
134702-001-00-00	Advanced Occupational Diploma: Operational Military Commander	7	295

	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for revisions to the Outputs / Output indicators Annual Targets
	4	4	N/A	N/A	No revisions were made





Part



**GOVERNANCE,
RISK AND
COMPLIANCE**

12. GOVERNANCE, RISK AND COMPLIANCE

12.1. INTRODUCTION

SASSETA remains committed to the highest standards of governance, which is fundamental to the management of public finances and resources through coordinated governance structures to utilise resources effectively, efficiently and economically. Corporate governance is a system of rules, practices and processes by which SASSETA is directed, controlled and held to account.

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

12.2. PORTFOLIO COMMITTEES

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

The role of the Portfolio Committee is to:

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

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

12.3. EXECUTIVE AUTHORITY

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

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

- Sector Skills Plan 2024/25.
- Strategic Plan, Annual Performance Plan and Budget 2023/24.
- Annual Report 2023/24.
- Quarterly Performance Reports 2023/24.

12.4. ACCOUNTING AUTHORITY

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

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

- Govern and manage SASSETA in accordance with legislation.
- Set organisational culture.
- Provide policy and strategic direction and oversee implementation.
- Review management performance and oversee risk management.
- Ensure the objectives and functions of SASSETA comply with the constitutional, legislative and policy mandates.

12.4.1 ACCOUNTING AUTHORITY COMMITTEES

In support of an effective corporate governance environment, the Accounting Authority has established five committees to assist it in executing its oversight mandate. The committees play an important role in enhancing standards of governance and effectiveness within the SETA. Each committee acts in line with its terms of reference, all of which were reviewed during the year. The committees report on their activities to the Accounting Authority at all meetings.

A record of attendance at meetings and the report from the Audit and Risk Committee are provided on pages 52 to 53.

To refresh the expertise and ensure a balanced and adequate constituency representation and quorum, the committees underwent configurations per the revisions made to the Charters to align them with the SASSETA Constitution.

12.4.2 ACCOUNTING AUTHORITY ELEVATION

During the year under review, the Accounting Authority received the evaluation report, which was carried out to emphasize the need for implementing a 'best practices procedure' in the SASSETA environment while remaining compliant with the provisions of the PFMA, SASSETA Constitution, the Accounting Authority Charter, and King IV Corporate Governance Directives on good governance.

Among others, it revealed the following points:

- **Leadership, strategy, and guidance:** The Accounting Authority can discharge its role in setting up the SETA's vision and strategy.
- **Processes and Structures:** The Accounting Authority has established governance structures allowing it to effectively discharge its role and responsibilities.
- **The reporting line for the Risk Manager, the review of the Charters, and the Committee Composition requirements** were highlighted as areas for improvement. Corrective measures have been taken to address the weaknesses identified.

12.4.3 BOARD AND COMMITTEE RECORD OF ATTENDANCE

	AA	EXCO	GOVCO	FINCO	REMCO	ARC
Scheduled	4	7	4	4	4	4
AGM	1	0	0	0	0	0
Strategy	1	0	0	0	0	0
Risk Focused	0	0	0	0	0	1
Special / Other	7	5	3	4	3	2
Accounting Authority / Committee Members						
Mr. C. Mudau (AA & EXCO Chair)	13/13	11/12	—	—	—	—
Mr. S. Conradie ¹ (GOVCO Chair)	3/13	—	1/7	—	—	—
Ms. M. Molefe (REMCO Chair)	11/13	—	—	—	6/7	—
Mr. K. Moyo (FINCO Chair)	13/13	12/12	—	8/8	—	—
Lt. Gen. (Dr.) B. Zulu ² (GOVCO Chair)	11/13	10/12	5/7	—	—	—
Ms. N. Luzipo ³	13/13	—	2/2	6/6	—	7/7
Adv. M. Majozi	8/13	6/12	—	6/8	—	—
Mr. R. Mashau	13/13	—	—	6/8	6/7	—
Ms. F. Mashoene	13/13	12/12	—	—	7/7	—
Mr. A. Moyana	13/13	—	7/7	8/8	—	—
Ms. R. Mphela	12/13	—	6/7	—	7/7	—
Ms. Z. Pakati	13/13	—	7/7	—	—	—
Mr. E. Tshilambavhunwa ⁴	12/13	—	—	2/2	—	7/7
Independent Audit and Risk Committee Members						
Ms. M. Pillay (Independent Chair)	3/5	—	—	—	—	6/7
Mr. B. Gutshwa ⁵	2/2	—	—	—	—	7/7
Ms. P. Mushwana ⁶	2/2	—	—	—	—	7/7
Executive Management						
Mr. T. Mdontswa (CEO and Ex officio)	13/13	12/12	7/7	8/8	7/7	7/7
Mr. I. Diale (CFO and Ex officio)	13/13	12/12	7/7	8/8	7/7	7/7
Ms. Amod (Learning Programmes Executive)	4/4	—	5/7	8/8	2/2	6/7
Mr. V. Memela (Executive Manager: SPRME ⁷)	4/4	—	5/7	7/8	2/2	5/7
Ms. S. Ngwenya ⁸ (Corporate Services Executive)	4/4	—	4/4	4/4	5/5	3/3
<p>¹ Mr. Conradie became a GOVCO member on 26 February 2024.</p> <p>² Lt. Gen. (Dr.) Zulu was appointed GOVCO Chair on 26 February 2024.</p> <p>³ Ms. Luzipo was moved from FINCO to GOVCO on 10 October 2023.</p> <p>⁴ Mr. Tshilambavhunwa was appointed FINCO member on 10 October 2023.</p> <p>⁵ Mr. Gutshwa attended the AGM and Accounting Authority planning session in November 2023.</p> <p>⁶ Ms. Mushwana attended the Board meeting to presented the ARC report in October and AGM November 2023.</p> <p>⁷ SPRME means Skills Planning, Research, Monitoring and Evaluation.</p> <p>⁸ Ms. Ngwenya resigned on 31 August 2023.</p>						

12.5. RISK MANAGEMENT

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

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

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

SASSETA conducts risk assessments annually and new risks are assessed as they emerge. This process is geared to identify critical risks that SASSETA may face, to enable it to formulate the appropriate risk strategies and action plans to respond and mitigate these risks.

The implementation of effective risk management processes ensured that SASSETA continued to achieve a level 5 risk maturity assessment level from the National Treasury on 31 March 2024. SASSETA has an optimised risk maturity level with a continuous focus of embedding the risk culture across the organisation. The ERM's efforts, during the year under review, have resulted in the mitigation of the main inherent risks that SASSETA was exposed to, thus contributing towards reducing the residual risk exposure to be within acceptable levels.

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

12.6. INTERNAL CONTROLS

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

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

The control environment is based on policies and procedures that are developed and periodically reviewed to ensure that the SETA meets its responsibilities effectively and efficiently, complies with relevant legislation, and manages known and identified risks to the organisation.

12.7 INTERNAL AUDIT

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

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

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

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

The following audits were conducted during the 2023/24 financial year:

- Learning programmes
- Audit of predetermined objectives
- Information technology general control environment review
- Cyber and Network Security review
- Information technology security audit
- Human capital audit
- System Implementation review
- Financial controls review
- Supply chain management review
- Projects, contracts and commitments review
- Review of the annual financial statements for compliance to the GRAP standards
- Review of the annual performance report

12.7.1 AUDIT AND RISK COMMITTEE

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

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

The term of office of the ARC's independent members ended on 31 March 2024. The Accounting Authority appreciated the Committee's valuable contribution to the SETA and wished the members well.

To retain valuable knowledge, skills, and experience and maintain continuity within the committee, Mr. Gutshwa was reappointed as the ARC's Independent Member for three years, effective from 1 April 2024 to 31 March 2027.

Two new independent ARC members, Mr. Faizal Docrat and Mr. Harris Nkanyane were appointed for a three-year term from 01 April 2024 to 31 March 2027.

The new members bring the necessary skills and extensive experience in ICT, finance, and risk management to provide critical oversight of the internal control environment, help drive SASSETA's vision and strategy with minimal risk, and ensure compliance with relevant laws and regulations.

12.8. COMPLIANCE WITH LAWS AND REGULATIONS

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

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

12.8.1. PAIA DISCLOSURE

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

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

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

12.8.2. POPI DISCLOSURE

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

1. **Data Protection Policies:** The data protection policy has been developed and is planned for implementation in the 2024-2025 financial year.
2. **Processing of Personal Information:** All personal information is processed in line with the data protection policy and consent is obtained from the data owners through a disclaimer found on all learner enrolment forms.
3. **Data Breaches:** No data breaches were reported in the SASSETA environment for the 2023-2024 financial year.
4. **Future Plans:** SASSETA will conduct more regular compliance audits and has plans to include a POPI compliance checklist to the quarterly monitoring framework of the SETA

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

12.9. FRAUD AND CORRUPTION

The entity has an approved Fraud Risk Assessment and Fraud Prevention Plan in place to assist with preventing fraud. Progress against the plan is reported quarterly to the applicable governance committees, while fraud risks are included in operational and strategic risk registers for monitoring. All employees and Governance Committee members ascribe to SASSETA's Code of Conduct which prescribes the expected level of ethical conduct. The entity has a Whistle-blowing Policy and hotline in place. The Governance, Risk and Compliance Department investigates reported incidents and reports them to the Audit and Risk Committee quarterly.

12.10. MINIMISING CONFLICT OF INTEREST

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

12.11. CODE OF CONDUCT

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

12.12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

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

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

12.13. ACCOUNTING AUTHORITY SECRETARY

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

12.14. SOCIAL RESPONSIBILITY

SASSETA acknowledges that good governance and solid stakeholder relations create internal and external value. During the year under review, SASSETA strengthened this value through promoting social, environmental, and corporate governance, enhancing relationships with key stakeholders, and implementing applications to promote a coherent culture within the organisation and in the sector. SASSETA continuously strives for the highest ethical standards so that our corporate reputation as a leader in the safety and security industry can flourish.

12.15. AUDIT COMMITTEE

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

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

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

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

12.16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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

REPORT OF THE **AUDIT AND RISK COMMITTEE**

We are pleased to present our report for the financial year ended 31 March 2024.

Audit and Risk Committee Responsibility

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

The Effectiveness of Internal Controls

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

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

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

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

- Human Capital review
- Information technology general control environment review
- Cyber and Network Security review
- Information and communication technology security review
- Compliance and Governance review
- Annual Financial Statements review
- Audit of Performance Information review
- Supply Chain Management review
- Discretionary Grants (Including Commitments) review
- Research review
- Quarterly follow-up reviews
- Learning programmes review
- Review of the annual performance report

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

Risk Management

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

Progress of digitising the SASSETA environment

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

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

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

In-year Management and Quarterly Report

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

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

Evaluation of Financial Statements

The Audit and Risk Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and Management.
- Reviewed the AGSA's Management Report and Management's response thereto.
- Reviewed accounting policies and practices as reported in the Annual Financial Statements.
- Reviewed significant financial reporting judgements and estimates contained in the Annual Financial Statements.
- Reviewed clarity and completeness of disclosures and whether disclosures made have been set properly in context.
- Reviewed the quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Reflected on unusual circumstances or events and Management's explanation for the accounting treatment adopted.
- Reviewed reasons for major year-on-year fluctuations, including variances of actual versus budget.
- Reviewed specific provisions.
- Reviewed Write-offs and reserve transfers.
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues.
- Reviewed adjustments resulting from the audit of the entity.
- Reviewed changes to the Annual Financial Statements as presented by the entity for the year ending 31 March 2024.
- Reviewed the entity's processes for compliance with legal and regulatory provisions.

Evaluation of Report on Predetermined Objectives

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

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

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

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

The term of this Committee ended on 31 March 2024 and the new Committee was appointed from May 2024. The Board representation in the Committee did not change.

Members	Designation	Number of Meetings Attended
Ms. M Pillay	Independent non-executive member and Chairperson till 31 March 2024	7
Mr. B Gutshwa	Independent non-executive member – Reappointed again from May 2024	8
Ms P Mushwana	Independent non-executive member till 31 March 2024	8
Mr E Tshilambavhumwa	Accounting Authority representative: Employer representative	8
Ms N Luzipo	Accounting Authority representative: Organised Labour	8

Internal Audit

The entity has in terms of Section 51 of the PFMA of 1999, put in place a system of Internal Audit under the control and direction of the ARC that complies with and operates in accordance with regulations and instructions prescribed in terms of Sections 76 and 77 of the PFMA.

The primary objective of Internal Audit is to provide independent and objective assurance designed to add value and improve the SETA's operations. It helps the SETA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and recommend improvements regarding the effectiveness of risk and compliance management, internal controls, and governance processes. A risk based annual audit plan for 2023/24 was compiled and approved by the ARC. Internal Audit has evaluated and contributed to the improvement of risk management, controls, and governance systems of the entity through the performance of adequate assurance activities in key areas identified in the risk assessment and by conducting audits in areas mandated by the PFMA and Treasury Regulations.

We are satisfied that the Internal Audit function has operated effectively, that it has addressed the risks pertinent to SASSETA in its audits and has assisted the entity with value-adding services to ensure that both financial and operational objectives are achieved.

Report of the Auditor-General of South Africa

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

Appreciation

The ARC wishes to acknowledge the commitment, dedication and work performed by the Executive Management, Management and Officials of the SASSETA. The ARC wishes to express its appreciation to the AGSA and the outsourced Internal Audit for the co-operation and information they have provided to enable the ARC to discharge our responsibilities.



Mr Faizel Docrat

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



Part

D

**HUMAN RESOURCE
MANAGEMENT**

13. HUMAN RESOURCE MANAGEMENT

13.1. INTRODUCTION

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

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

13.2. HUMAN RESOURCES PRIORITIES FOR THE YEAR UNDER REVIEW AND IMPACT OF THESE PRIORITIES

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

- **Skills Development of Staff**

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

- **Retention of Staff**

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

- **Filing of Critical Positions**

The following critical positions were filled:

- Learning Programmes Manager
- Skills Research and Planning Manager
- Information and Communications Technology Officer
- Supply Chain Officer
- Certification Supervisor
- 3 x Learning Programmes Practitioners
- 2 x Monitoring, Evaluation and Reporting Practitioners
- Human Resources Administrator
- 2 x Information and Communications Technology Administrators

- **Integrated human resources system**

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

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

- Vacancies have remained unfilled at an average period of two months which is a reasonable period to initiate and finalise the recruitment and selection process.
- Some vacancies were in the process of being filled as at 31 March 2024.

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

- **Employee Performance Management Framework**

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

- **Employee Wellness Programme**

- A new employee wellness service provider was appointed.
- Two Employee Wellness Days were held successfully.
- SASSETA's partnership with a wellness service provider during the year under review delivered dividends by empowering employees to take control of their well-being, living more productive work lives and more enhanced private lives.
- Employees have year-long, 24-hour access to counselling services provided in all South African languages.
- SASSETA Provident Fund Administrator, Old Mutual, made an awareness presentation to all staff to prepare them for a two-pot retirement system passed by Government for implementation on 1st of September 2024.

- **Policy Development**

Subsequent to the findings of the Department of Employment and Labour on non-achievement of employment equity (EE) numerical targets by SASSETA as contained in the EE Plan together with a strive to improve in the area of staff acquisition and staff development, two HR Policies were reviewed with the aim of improving in achieving numerical targets and other aforementioned two areas.

The two policies are Recruitment & Selection Policy and Human Resources Development (HRD) Policy. They were approved and shall be implemented in the new year (2024/2025).

- **Achievements**

The following are achievements:

- All set HR targets were achieved.
- Two important concepts of Service Delivery Model review and Staff Satisfaction survey were deliberated on, and resolutions taken to have them implemented in 2024/2025.
- All labour disputes between that had arisen were resolved amicably.

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

- 2023/2024 Workplace Skills Plan (WSP) was submitted to the ETDP SETA (affiliating SETA) and implemented the plan through various training interventions. The Annual Training Report (ATR) for 2022/2023 was also prepared and submitted accordingly.
- 2022/2023 Tax Certificates (IRP5's) were issued to all employees.
- 2023 Employment Equity (EE) Report was submitted to the Department of Employment and Labour.
- Return on Earnings submitted in May 2023 and a Letter of Good Standing was obtained from the Department of Employment and Labour.

- **Challenges Faced by the Public Entity**

- Staff turnover rate was a little bit higher than the previous year.
- Most vacancies could not be filled due to budget constraints.

- Some positions could not be filled timeously because internal staff do not fit competencies of job profiles for those vacant positions.
- Inadequate willingness of staff to make use of available skills development opportunities.
- **Future HR Plans/Goals**
 - Conduct staff climate survey to establish the perceptions of employees towards the organisation.
 - Review the existing service delivery model to identify gaps with the intention of improving services rendered to our stakeholders within the sector.
 - Acquisition of an advanced integrated Human Resources System to improve efficiency in Operations HR.
 - Improve understanding of the culture of working from home to employees.

13.3 HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel Cost by Programme

PROGRAMME	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of Total Expenditure. (R'000)	No. of employees	Average Personnel Cost per Employee (R'000)
Programme 1	111 150	43 586	9%	58	751
Programme 2	34 130	20 306	4%	27	752
Programme 3	303 089	27 752	6%	44	631
Programme 4	17 320	11 121	2%	20	556

Personnel Cost by Salary Band

LEVEL	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	2,912	3%	1	2,912
Senior Management	9,286	8%	5	1,857
Professional qualified	19,157	18%	12	1,596
Skilled	29,605	27%	36	822
Semi-skilled	43,381	40%	87	499
Unskilled	4,929	5%	28	176

Performance Rewards

PROGRAMME	Performance Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost (R'000)
Top Management	177	2,912	6%
Senior Management	643	9,286	7%
Professional qualified	990	19,157	5%
Skilled	1,561	29,605	5%
Semi-skilled	2,014	43,381	5%
Unskilled	171	4,929	3%

Training Costs

PROGRAMME	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel cost.	No. of Employees Trained	Average Training Cost per Employee (R'000)
Programme 1: Administration	43 586	555	1%	44	0.08
Programme 2: Research, Skills Planning & Reporting	20 306	291	1%	23	0.08
Programme 3: Learning Programmes	27 752	521	2%	31	0.06
Programme 4: Quality Assurance	11 121	164	1%	8	0.05

Employment and Vacancies

PROGRAMME	2023/2024 No. of Employees	2021/2022 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of Vacancies
Programme 1: Administration	50	62	50	18	29%
Programme 2: Research, Skills Planning & Reporting	25	32	25	9	28%
Programme 3: Learning Programmes	39	73	39	33	45%
Programme 4: Quality Assurance	20	24	20	9	38%

LEVEL	2023/2024 No. of Employees	2022/2023 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of Vacancies
Top Management	1	1	1	0	0
Senior Management	3	7	3	4	57
Professional qualified	11	13	11	2	15
Skilled	38	35	38	28	80
Semi-skilled	74	33	74	30	90
Unskilled	7	4	7	1	25
TOTAL	134	93	134	65	N/A

Employment Changes

SALARY BAND	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	1	0	0	1
Senior Management	5	0	2	3
Professional qualified	10	2	1	11
Skilled	37	8	7	38
Semi-skilled	77	6	6	77
Unskilled	7	0	0	7
Total	137	16	16	137

The movements happened as a result of:

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

Reasons for Staff Leaving

Reason	Number	% of total number of staff leaving
Death	0	0
Resignation	8	6
Dismissal	0	0
Retirement	1	1
Ill health	0	0
Total	9	100%

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

13.4 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

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

Equity Target and Employment Equity Status

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	1	0	1	0	0	0	0
Professional qualified	5	0	0	0	0	0	0	0
Skilled	12	1	1	2	1	1	0	3
Semi-skilled	11	2	0	1	0	1	0	0
Unskilled	2	0	0	0	0	0	0	0
TOTAL	33	1	1	4	1	2	0	3

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	2	0	1	1	0	0	0
Professional qualified	4	1	0	1	2	0	0	1
Skilled	24	2	0	1	0	0	0	1
Semi-skilled	62	2	1	2	0	0	0	0
Unskilled	5	0	0	0	0	0	0	0
TOTAL	95	7	1	5	3	0	0	2

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



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Part



**PFMA COMPLIANCE
REPORT**

18. IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance		34 517
Add: Irregular expenditure confirmed	1 256	1 058
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recovered and written off	(1 210)	(35 576)
Closing balance	46	-

Irregular expenditure to the amount of R1.210 million indicated above was written-off by the Accounting Authority during the financial year.

Reconciling Notes to the Annual Financial Statement Disclosure

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2023/24		
Irregular expenditure that relates to 2022/23 and identified in 2023/24		
Irregular expenditure for the current year	1 256	1 058
Total	1 256	1 058

During the year ended March 2024, no amount was identified as irregular expenditure incurred in 2022/23 but was identified in the 2023/24 financial year.

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment		
Irregular expenditure under determination	46	-
Irregular expenditure under investigation		
Total	46	-

Irregular expenditure of R46 thousand was under determination in the current year. Of this irregular expenditure, an amount of R28 thousand was repaid by the service provider.

c) Details of current and previous year irregular expenditure condoned

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned		
Total	-	-

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed		
Total	-	-

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

e) Details of current and previous year irregular expenditure recovered

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recovered		
Total	-	-

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

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	1 210	35 576
Total	1 210	35 576

On April 2022, SASSETA received a communication from the National Treasury regarding the rejection of the condonation application relating to the extension of a security services contract. Other irregular expenditure related unfortunate non-compliance with the SETA Grant regulations which occurred in the previous years and was also not condoned by the National Treasury. These matters were referred to the Accounting Authority to consider writing-off of irregular expenditure not condoned by the National Treasury. The Accounting Authority resolved to write off these amounts.

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

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

- There was no need for disciplinary or criminal actions regarding the irregular expenditure incurred.
- The matter is free from fraudulent, corrupt or criminal acts.
- The SETA did not suffer loss due to the transaction.
- Non-compliance has been addressed to avoid any reoccurrence.

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

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

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

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

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

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

14.1. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance		22
Add: Fruitless and wasteful expenditure confirmed		
Less: Fruitless and wasteful expenditure written off		22
Less: Fruitless and wasteful expenditure recoverable		
Closing balance	-	-

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

Reconciling Notes to the Annual Financial Statement Disclosure

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to previous year and identified in 2023/24		
Fruitless and wasteful expenditure for the current year	-	22
Total	-	22

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

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination	-	22
Fruitless and wasteful expenditure under investigation		
Total	-	22

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

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

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

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	22
Total	-	22

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

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

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

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

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

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

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

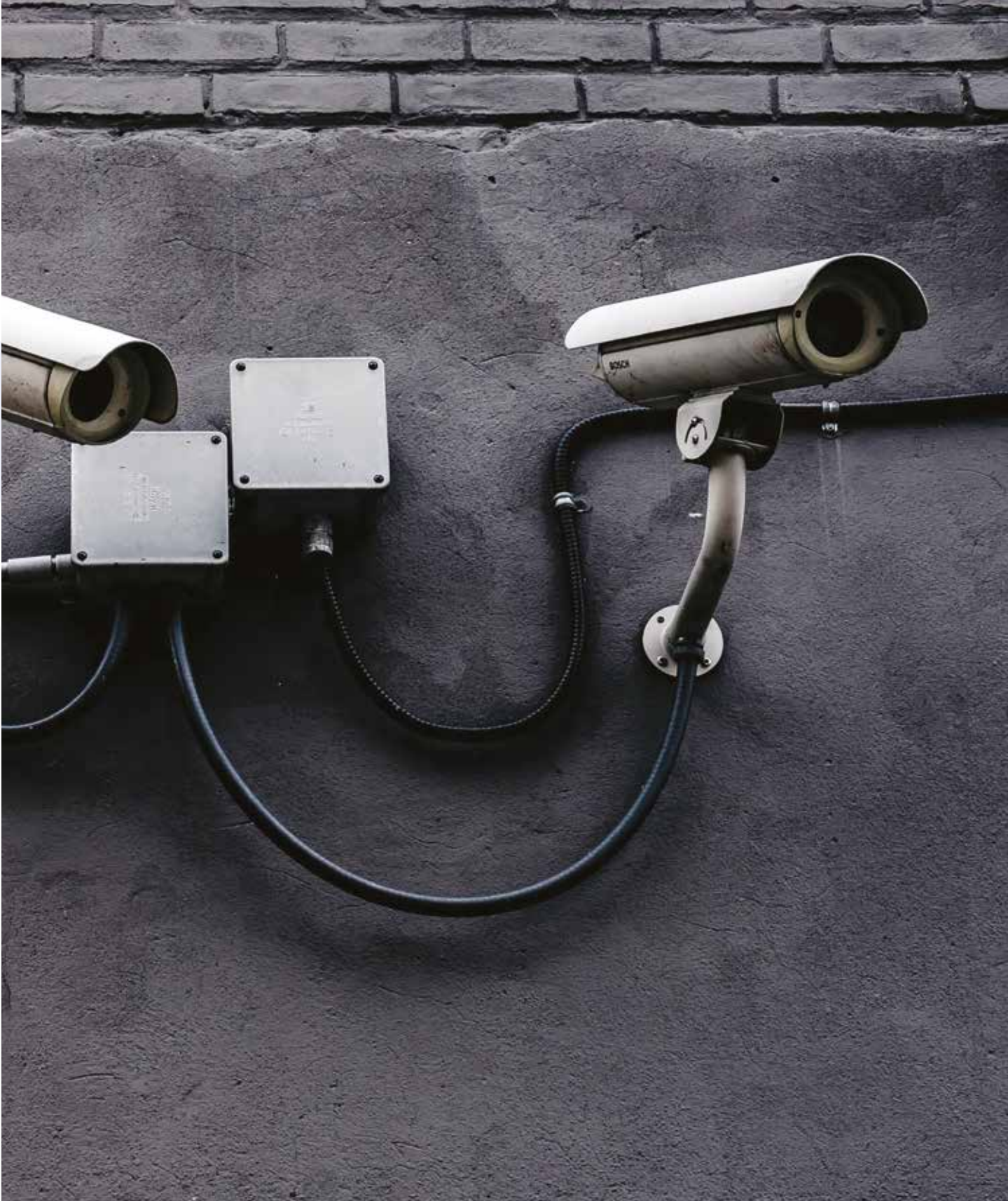
Therefore, the SETA does not have any late and/or non-payment of suppliers.

Description	Number of Invoices	Consolidated Value
	R'000	R'000
Valid invoices received	1749	349 205 310
Invoices paid within 30 days or agreed period	1749	349 205 310
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

14.3 INFORMATION ON SUPPLY CHAIN MANAGEMENT

Procurement by Other Means

No	Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
1.	Single source to repair DELL mobile devices	Redington South Africa (Pty) Ltd	Single source	N/A	R350,000.00
2.	Single source to repair HP mobile devices	HP South Africa (Pty) Ltd	Single source	N/A	R350,000.00
3.	Change of scope (Mandatory requirements)	Ramase Catering services	Single source	N/A	R6,500.00
4.	Single source for alterations and additions at the M& E unit first floor	Senatla Business Group & Thovu Construction Group JV	Single Source	N/A	R250,010.00
5.	Architecture to draft construction drawings	Studio E- Design	Single Source	N/A	R24,300.00
6.	Sole source to provide employee wellness day parade	Johannesburg Metro Police Department (JMPD)	Sole source	N/A	R5,192.00
7.	Procurement of emergency medical services for employee wellness day	Gauteng Department of Health	Sole source	N/A	R2,264.00
8.	Sole source for Fleet Management Road Traffic Infringement Authority (RTIA), Road Traffic Management Corporation (RTMC) and Johannesburg Metro Police Department (JMPD)	Sole source	N/A	adhoc	
9.	Single source for the soccer facilities and refreshment	Discovery Soccer Park	Single source	N/A	R19,725.00
10.	Single source for renewal of Directors Sourthen Africa (IoDSA) membership of Accounting Authority members and Executive Managers	Institute of Directors Sourthen Africa (IoDSA)	Single source	N/A	R46,350.00
11.	Single source for the soccer facilities and refreshment	Discovery Soccer Park	Single source	N/A	R36,000.00
12.	Deviation from normal procurement processes-training on Being a Director Part 1 4 for Mr Tsundzuka Monyana by IoDSA	The Institute of Director Southern Africa	Single source	N/A	R18,517.00
Total					R1 108 858,00



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

No	Project description	Name of supplier	Contract modification type (Expansion or Variation)
1.	Provision of Internal Audit Services	Thabi Consulting	Expansion of scope
2.	Contract Period and the extraction of data costs for the provision and implementation of the integrated management information system	Solugrowth (Pty) Ltd	Expansion of scope and time
Total			



	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
	RFP/SASSETA/ 20211107/1	R5 033 400	R755 010,00	R1 558 746,39
	RFP/SASSETA/ 201818128	R8 047 975,76	R12 323 250,28	R2 260 531,39
		R13 081 375,80	R13 078 260,28	R3 819 277,78







Part



**FINANCIAL
INFORMATION**

15. REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY

OPINION

1. I have audited the financial statements of the Safety and Security Sector Education and Training Authority set out on pages 84 to 137, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Safety and Security Sector Education and Training Authority as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

BASIS FOR OPINION

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

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

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

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 81, forms part of my auditor's report.
10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: research, skills planning and reporting	29	The purpose for programme 2 is to institutionalise and strengthen mechanisms for skills planning, research, monitoring, evaluation and reporting for the safety and security sector.
Programme 3: learning programmes	33	The purpose of this programme is to reduce the scarce and critical skills gap in the safety and security sector through provisioning of quality learning programmes.
Programme 4: quality assurance (ETQA)	43	The purpose of the sub-programme is to develop quality occupational qualifications which are responsive to occupations in high demand.

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

OTHER MATTER

16. I draw attention to the matter below.
17. 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.
18. 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.
19. 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.
20. I did not identify any material non-compliance with the selected legislative requirements.
21. 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.
22. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
23. 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.
24. 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.
25. 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.
26. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

16. ANNEXURES TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

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

FINANCIAL STATEMENTS

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

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 57(b)
Treasury Regulations	Treasury reg 16A6.1; Treasury reg 16A3.2 (fairness) Treasury reg 16A3.2(a) and (b) Treasury reg R16A6.3 (a), (b) (c) & (e) Treasury reg 16A6.4; Treasury reg 16A6.5 Treasury reg16A6.6; Treasury reg. 16A. 7.1 Treasury reg. 16A.7.3; Treasury reg. 16A. 7 .6 Treasury reg. 16A.7.7; Treasury reg 16A8.3 Treasury reg.16A8.4 Treasury reg 16A9.1(b)(ii), (d), (e) Treasury reg 16A9.1(d), (e) & (f) Treasury reg 16A9.2(a)(ii) Treasury reg. 8.2.1; Treasury reg. 8.2.2 Treasury reg. 29.1.1(a) & (c) Treasury reg. 29.3.1; Treasury reg. 30.1.1 Treasury reg. 30.1.3(a), (b) & (d) Treasury reg. 30.1.3(b) Treasury reg. 30.1.3(d) Treasury reg. 30.2.1 Treasury reg. 31.1.2(c) Treasury reg. 31.2.1 Treasury reg. 31.3.3 Treasury reg. 33.1.1 Treasury reg. 33.1.3
PFMA instruction note no.3 of 2021/22	Paragraph 4.1 Paragraph 4.2(b) Paragraph 4.3 Paragraph 4.4 and Paragraph 4.4(c), (d)
National Treasury SCM instruction note 03 of 2021/2	Definition Paragraph 4.1. Paragraph 4.2 (b) Paragraphs 4.3 and 4.4 Paragraph 4.4 (c) Paragraph 4.4.(d) Paragraph 7.2
SCM Instruction Note 02 of 2021/22	Paragraph 3.2.1 Paragraph 3.2.4 Paragraph 3.3.1 Paragraph 4.1
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction 3 of 2016	Note 6
National Treasury Instruction 01 of 2021/2022	Paragraph 4.1
Treasury Instruction note t 1 of 2020/21	Paragraph 3.1 Paragraph 3.4 (b) Paragraph 3.9

Legislation	Sections or regulations
National Treasury Instruction No. 5 of 2020/21	Paragraph 1 Paragraph 2 Paragraph 4.8 Paragraph 4.9 Paragraph 5.3
National Treasury Instruction 07 of 2017/18	Paragraph 4.3
National Treasury Instruction 4A of 2016/17	Paragraph 6
National Treasury Instruction note 4 of 2015/16	Paragraph 3.4
Practice Note 7 of 2009/10	Paragraph 4.1.2
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA	PFMA 35(4) PFMA 38(1)(b) PFMA44 PFMA 45(b) PFMA 51(1)(b)(ii) PFMA 51(1)(e)(iii) PFMA 52(b) PFMA 54(2)(c), (d) PFMA 57(b) PFMA 55(1)(a), (b) PFMA 55(1)(c)(i)
PPPFA	Definition ““acceptable tender”” Sections 2(1)(a) and (b) Par. 2(1)(f)
Preferential Procurement Regulations 2011	Reg. 9(1), 9(5)
Preferential Procurement Regulations 2017	Reg. 4(1), 4(2) Reg. 5(1), 5(3), 5(6), 5(7) Reg. 6(8), Reg. 7(8) Reg. 8(2), 8(5) Reg. 9(1) Reg. 10(1) Reg. 11(1)
Preferential Procurement Regulations 2022	Reg. 4(4)
CIBD Act	Section 18(1)
CIBD regulations	Reg. 17 Reg. 25(7A)
SBD	SBD 6.2 issued in 2015/16
SITA Act	Section 7(3)
Public Service regulation	Reg. 18(1), (2)
PRECCA	Section 34(1)
SETA Grants regulations of 2012	Section 2(1), (2), (3) Section 3 (3) & (4) Section 4 (3), (8) Section 6 (9) (iii)
Skills Development Levies Act 09 of 1999	All
Skills Development Act 97 of 1998	All

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements FOR THE YEAR ENDED 31 March 2024, set out on pages 85 to 137, have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, and are signed on their behalf by:



Mr. TE Mdontswa
Chief Executive Officer



Mr. MC Mudau
Board Chairperson

Annual Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

		2023/24	Restated 2022/23
	Note	R'000	R'000
REVENUE			
Non-exchange transactions			
Skills Development Levy: Income	2	587 820	550 213
Skills Development Levy: Penalties and interest	3	8 667	10 240
Exchange transactions			
Investment income	4	58 812	38 366
Other income	5	165	2 693
Total Revenue		655 463	601 512
EXPENSES			
Employer grant and project expenses	6	(413 996)	(332 377)
Administration expenses	7	(198 641)	(198 834)
Total Expenses		(612 637)	(531 211)
NET (DEFICIT) / SURPLUS FOR THE YEAR	1	42 826	70 301

Annual Financial Statements

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Note	2023/24 R'000	Restated 2022/23 R'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8.1	13 387	19 461
Work in progress	8.2	4 138	798
Intangible assets	8.3	6 132	7 268
		23 656	27 527
Current Assets			
Receivable from non-exchange transactions	9	7 328	8 569
Receivable from exchange transactions	9	5 681	5 147
Inventory	10	2 548	2 123
Cash and cash equivalents	11	761 746	696 648
		777 302	712 487
Total Assets		800 959	740 015
EQUITY AND LIABILITIES			
Non-Current Liabilities			
Finance lease obligations	12	255	436
		255	436
Current Liabilities			
Trade and other payables from non-exchange transactions	13	94 152	76 671
Trade and other payables from exchange transactions	13	14 326	14 466
Current portion of finance lease obligation	12	548	633
Provisions	14	20 519	19 475
		129 545	111 245
Total Liabilities		129 800	111 681
NET ASSETS		671 159	628 333
Funds and Reserves			
Administration reserve		23 656	27 527
Employer grant reserve		483	458
Discretionary reserve		647 020	600 349
TOTAL FUNDS AND RESERVES		671 159	628 334
TOTAL NET FUNDS AND LIABILITIES		800 959	740 015

Annual Financial Statements

STATEMENT OF CHANGE IN NET ASSETS

for the year ended 31 March 2024

Notes	Admin- istration Reserve	Employ- er Grant Reserve	Discre- tionary Reserve	Unappro- priated surplus	Total
	R'000	R'000	R'000	R'000	R'000
Restated balance as at 1 April 2022	32 974	127	524 937	-	558 039
Net surplus as per Statement of Financial Performance	-	-	-	70 301	70 301
Prior period error adjustment	19	255	-	343	(598)
Allocation of unappropriated surplus	1	(37 945)	27 032	80 615	(69 702)
Excess reserves transferred to Discretionary reserve		32 242	(26 702)	(5 541)	-
Balance at 31 March 2023	27 527	458	600 349	0	628 334
Restated balance as at 31 March 2023	27 527	458	600 349	0	628 334
Net surplus per Statement of Financial Performance	-	-	-	42 826	42 826
Allocation of unappropriated surplus	(31 411)	28 612	45 624	(42 826)	-
Excess reserves transferred to Discretionary reserve		27 540	(28 587)	1 047	-
Balance at 31 March 2024	23 656	483	647 020	-	671 159

The administration grant reserve carries accumulated reserves allocated to administration expenditure in future years. An amount of R23.6 million (2022/23:R27.5 million) is retained in the administration reserve equal to the carrying value of property and equipment, and intangible assets.

The employer grant reserve carries accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years. An amount of R483.0 thousand (2022/23: R457.6 thousand) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the period ending 31 March. Refer to note 16.2 for disclosure of this contingent liability.

The discretionary grant reserve carries accumulated reserves allocated to discretionary grants and project expenses in future years. All surplus funds of the SASSETA, except for the amounts left in the administration grant reserve and employer grant reserve are swept to the discretionary grant reserve to fund future skills development. An amount of R647.0 million (2022/23:R600.3 million - restated) represents reserves against contractual commitment.

Annual Financial Statements

CASH FLOW STATEMENTS

for the year ended 31 March 2024

	Note	2023/24 R'000	Restated 2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Cash receipts from stakeholders		655 165	604 011
Levies, interest and penalties received		596 353	565 645
Interest Income		58 812	38 366
Payments			
		(580 192)	(511 995)
Grants and project payments		(414 045)	(332 607)
Compensation of employees		(109 365)	(100 427)
Payments to suppliers and other		(56 783)	(78 961)
Net cash inflow from operating activities	15	74 972	92 016
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment & intangible assets	8.1/8.3	(9 199)	(6 367)
Proceeds from sale of asset/insurance proceeds		106	1
		(9 093)	(6 366)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments relating to finance lease payments		(781)	(665)
		(781)	(665)
Net increase in cash and cash equivalents		65 098	84 985
Cash and cash equivalents at beginning of year	11	696 648	611 664
Cash and cash equivalents at end of year	11	761 746	696 648

Annual Financial Statements

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2024

		ACTUAL	AP- PROVED BUDGET	ADJUST- MENTS	REVISED AP- PROVED BUDGET	VARIANCE ACTUAL / FINAL AP- PROVED BUDGET
Note		2023/24	2023/24	2023/24	2023/24	Favourable (unfavourable)
		R'000	R'000	R'000	R'000	
REVENUE						
Skills Development Levy: Private Companies	23.1	456 057	441 238	3 043	444 281	11 776
Administration (10.5%)		59 700	57 912	399	58 312	1 389
Discretionary (49.5%)		282 672	273 016	1 883	274 899	7 773
Employer Grants (20%)		113 685	110 310	761	111 070	2 615
Skills Development Levy: Government Departments	23.1	131 762	129 735	3 973	133 708	(1 946)
Donor Funding Income		-	-	-	-	-
Skills Development Levy: penalties and interest	23.1	8 667	14 162	(3 383)	10 779	(2 112)
Other Income		165	-	-	-	165
Investment Income	23.2	58 812	38 708	21 969	60 677	(1 865)
				-		
TOTAL REVENUE		655 463	623 843	25 602	649 445	6 018
EXPENDITURE						
Employer Grants	23.4	(85 073)	(84 873)	(3 935)	(88 808)	3 735
Discretionary Grants Expenses	23.5	(328 923)	(321 974)	(13 318)	(335 292)	6 369
Administration Expenses	23.3	(198 641)	(216 997)	(8 348)	(225 345)	26 704
TOTAL EXPENDITURE		(612 637)	(623 843)	(25 602)	(649 445)	36 808
NET SURPLUS FOR THE YEAR	23.6	42 826	-	-	-	42 826

The prior year surplus funds to the amount of R599.3m was approved with the revised budget for the financial year. The total revised approved budget including this amount is R1.24 billion.

Annual Financial Statements

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

1. BASIS OF PREPARATION

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

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

“Specific information such as:

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

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

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

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

1.1 Presentation currency

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

1.2 Going Concern

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

1.3 Significant judgements and sources of estimation uncertainty

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

1.3.1 Receivables from exchange transactions

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

1.3.2 *Receivables from non-exchange transactions*

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

1.3.3 *Payables from exchange transactions*

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

1.3.4 *Payables from non-exchange transactions*

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

1.3.5 *Provisions*

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions. A summary of the significant accounting policies, which have been consistently applied in the preparation of these Annual Financial Statements, are disclosed below.

2. REVENUE RECOGNITION

2.1 *Statutory Receipts*

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

Measurement

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

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

2.2 *Levy income*

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

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

Annual Financial Statements

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

As per the Skills Development Circular 09/2013, should the levies received from exempt companies not be refunded to the respective employer through the SARS system after five years from receipt, the SETA transfers all monies received from exempt companies to levy revenue. Such levies are allocated to discretionary grant levies.

Skills Development Levies Act specifically excludes government departments from participating in the levies contribution scheme. This circular requires the government departments to set aside a minimum of 1% of their payroll cost to be allocated to their affiliate SETA.

Where a government department contributes their levies at 30% (95%) of the 1% of their payroll cost, an affected SETA shall utilise the levies as follows:

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

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

In terms of Skills Development Circular 9/2013 - SETA should transfer all unclaimed refunds under section 190(1) (b) of the Tax Administration Act if such refunds are not claimed within 5 years of self-assessment. These refunds will be treated in terms of the SETA Grant Regulations read in line with the Skills Development Levies Act. 80% of skills development levies are paid over to the Seta (net of the 20% contribution to the National Skills Fund). Levy income is recognised on the accrual basis.

Revenue is adjusted for interSeta transfers due to employers changing Seta's. Such adjustments are separately disclosed as interSeta transfers. The amount of the interSeta adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department. Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the Department makes an allocation to the SASSETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

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

2.3 *Interest and penalties*

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

2.4 *Funds allocated by the National Skills Fund for Special Project*

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

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

2.5 **Government grants and other donor income**

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

2.6 **Revenue from exchange transactions**

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

2.7 **Investment income**

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

3. GRANTS AND PROJECT EXPENDITURE

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

3.1 **Mandatory grants**

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

3.2 **Discretionary project expenditure**

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

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

Project expenditure comprise:

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

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

3.3 **Retrospective adjustments by SARS**

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

4. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

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

Irregular and fruitless and wasteful expenditure is removed from the notes to the annual financial statements when condoned by the Accounting Authority and National Treasury. Fruitless expenditure is condoned by the Accounting Authority only.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current Financial Year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous Financial Year and is only condoned in the following Financial Year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

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

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged to write off the costs of the assets over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment (owned and leased) are stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is calculated on the straight line-method to write off the cost of each asset to estimated residual value over its estimated useful life.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

immediately to its recoverable amount (i.e. impairment losses are recognised.) Gains and losses on disposal of Property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

In the application of the Seta's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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

The following useful lives are used in the calculation of depreciation.

Computer equipment	3 to 10 years
Computer Server	3 to 10 years
Furniture and Fittings	5 to 16 years
Office equipment	5 to 16 years
Vehicles	5 to 10 years

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

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

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

6. INTANGIBLE ASSETS

Intangible assets are stated at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Useful lives of Intangible assets

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

The following useful life is used in the calculation of amortisation

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

7. LEASES

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

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

8. EMPLOYEE BENEFITS

Recognition and measurement

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

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

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

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

9. PROVISIONS

Provisions are recognised when the Seta has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value.

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

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

10. CONTINGENCIES

A contingent asset is not recognised but disclosed where an inflow of economic benefits/service potential is probable. A contingent liability is not recognised, but only disclosed. However, disclosure is not required if payment is remote. Management further relies on inputs from the lawyers in assessing the probability of matters of a contingent nature. Contingencies are disclosed further in the note.

11. GRANTS AND PROJECTS EXPENDITURE

Mandatory grant payments

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

Discretionary projects

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

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

12. FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are recognised on the Seta's Statement of Financial Position when the Seta becomes a party to the contractual provisions of the instrument. The carrying amounts of each of the categories of financial instruments, as defined in paragraph .14, shall be as follows:

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

Financial Assets

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

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

Class Category:

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

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

Financial assets are assessed for indicators of impairment at each year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment values or movement in provision for impairment are recognised in the Statement of Financial Performance. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

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

Loans and receivables

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

Effective interest method

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

Impairment of financial assets

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Financial Liabilities

Financial liabilities are classified as either financial liabilities at Fair Value Through Profit or Loss (FVTPL) or other financial liabilities.

Account and other payables do not bear interest and are stated at their nominal value.

Financial liabilities at FVTPL

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

All financial liabilities of the Seta were classified as other financial liabilities.

Other financial liabilities

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

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

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

All financial liabilities of the SETA were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition

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

Class Category

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

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

13. RESERVES

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

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

	2023/24	2022/23
	%	%
Administration costs of the Seta	10.5	10.5
Employer grant fund levy	20	20
Discretionary grants and projects	49.5	49.5
Received by the Seta	80	80
Contribution to the National Skills Fund	20	20
	100	100

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund the Seta's administration costs.

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects. The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above table.

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

14. COMPARATIVE FIGURES

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

15. TAXATION

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

16. VALUE ADDED TAXATION

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

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

17. INVENTORY

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

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

18. COMMITMENTS

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

19. SEGMENT REPORTING

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

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

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

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

20. SUBSEQUENT EVENTS

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

- Adjusting events; and
- Non-adjusting events.

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

Subsequent Events are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

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

21. CASH AND CASH EQUIVALENTS

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

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

22. RELATED PARTIES

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

All departments and public entities in the national sphere of government are related parties as they are ultimately under common control.

Representation of individuals and employer/labour representatives to the Accounting Authority Body, committees of the Accounting Authority or other equivalent body is considered as significant influence.

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

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

23. PRESENTATION OF BUDGET INFORMATION IN THE FINANCIAL STATEMENTS

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

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

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

24. STATUTORY RECEIVABLES

Identification

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

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions.
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Measurement

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Derecognition

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

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

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

25. MATERIALITY

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

	Total per Statement of Financial Performance 2022/2023	Total per Statement of Financial Performance 2023/2024	Administra- tion Reserve	Mandatory Reserve Grant	Discretion- ary Grants Reserve
	R'000	R'000	R'000	R'000	R'000
<i>Total Revenue</i>	601 512	655 463	167 230	113 685	374 547
Skills Development Levy transfer from non - exchange transactions:					
Levy transfer Administration (10.5%)	158 451	167 065	167 065	-	-
Levy transfer Discretionary/ Employer Grants (69.5%)	391 762	420 754	-	113 685	307 069
Skills Development Levy penalties and interest from non - exchange transactions	10 240	8 667	-	-	8 667
Investment income	38 366	58 812	-	-	58 812
Other income	2 693	165	165	-	-
<i>Total Expenses</i>	531 211	612 637	198 641	85 073	328 923
Administration expenses	198 834	198 641	198 641	-	-
Employer grants and project expenses	332 377	413 996	-	85 073	328 923
Net (deficit) / surplus per Statement of Financial Performance allocated	70 301	42 826	(31 411)	28 612	45 624

Discussions are still ongoing with the department regarding allocation of the investment income from Discretionary reserve to Administration reserve. If approved then the Administration reserve will be adjusted with the amount of the investment income for the year.

The seta obtained the necessary approval from the Minister to exceed the allowable 10.5% of Administration cost limit for the 2023/24 financial year.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

2. SKILLS DEVELOPMENT LEVY TRANSFER FROM NON-EXCHANGE TRANSACTIONS

	2023/24	2022/23
	R'000	R'000
The total levy transfer per the Statement of Financial Performance is as follows:		
Levy transfer: Administration	167 065	158 451
Levies received from Private Companies	59 695	55 226
Levies received from Government Departments	107 365	103 055
Inter-seta transfers in	5	170
Levy transfer: Employer grants	113 685	105 454
Levies received from Private Companies	113 675	105 130
Inter-seta transfers in	10	324
Levy transfer: Discretionary grants	307 069	286 308
Levies received from Private Companies	282 646	261 585
Levies received from Government Departments	24 397	23 922
Inter-seta transfers in	26	801
	587 820	550 213

3 SKILLS DEVELOPMENT LEVY: Penalties and Interest

8 667 10 240

4 INVESTMENT INCOME

Interest received from the banks

	2023/24	2022/23
	R'000	R'000
Interest received from the banks	58 812	38 366
	58 812	38 366

5 OTHER INCOME

Other income comprises:

Reversal of provision

Grants received

	2023/24	2022/23
	R'000	R'000
Reversal of provision	110	2 643
Grants received	55	49
	165	2 693

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

6 EMPLOYER AND DISCRETIONARY GRANT EXPENSES

		2023/24	2022/23
		R'000	R'000
Mandatory grants		85 073	78 421
Disbursed/provisions and accruals		85 073	78 421
Discretionary grants	6.1	328 923	253 956
Disbursed/provisions and accruals		328 923	253 956
		413 996	332 377
6.1 Discretionary grants			
Pivotal		293 235	221 409
Non-pivotal		31 221	28 581
Qualification development		1 203	2 222
Project administration costs	6.1.1	3 265	1 744
		328 923	253 956
6.1.1 Project administration costs			
Travel and subsistence		1 786	1 333
Career development/guidance		1 266	-
Other		213	408
		3 265	1 744

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

7 ADMINISTRATION EXPENSES

		2023/24	2022/23
		R'000	R'000
Advertising, marketing and promotions, communication		1 132	1 120
Bad debts grants expenditure		613	160
Depreciation/amortisation and Impairment	8.1/8.3	13 395	12 305
External auditor's remuneration		3 430	3 663
Operating lease rentals (minimum lease payments)		10 305	10 310
Cost of employment	7.1	109 303	100 443
Consulting fees - Administration		2 167	3 125
Consulting fees - Legal		626	839
Conflict of interest and CAATs		4 155	6 621
Filing and archiving		3 702	15 709
Discretionary grant evaluation		3 712	1 304
IT maintenance		7 991	7 938
Utilities, maintenance, repairs and running costs		3 127	3 060
Remuneration to members of the accounting authority		2 811	2 254
Remuneration to members of the audit committee		494	615
Remuneration to members of other committees		1 187	986
Board training and workshop		419	257
Staff training and development		1 531	1 622
Repairs and maintenance		3 414	4 261
Donations/sponsorship		942	363
Travel and subsistence		955	555
Other		23 231	21 325
Other expenses		5 371	4 622
QCTO funding		2 798	2 446
Monitoring, reporting & evaluation		85	900
Research		2 999	799
Bank charges		151	172
Employees assistance programme		196	86
Postage		137	188
Security		1 683	1 601
Risk management workshop		2	-
Insurance		303	153
Meetings and workshops		841	236
Telephone costs		1 557	1 517

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

	2023/24	2022/23
	R'000	R'000
Interest paid	70	55
Recruitment costs	423	964
Stationery, printing and consumables	880	2 619
Accommodation and meals	533	896
Assessor, moderators and verifiers	2 068	1 986
Internal audit fees	3 135	2 085
	198 641	198 834
7.1 Cost of employment		
Salaries and wages	75 089	68 206
Basic salaries	60 327	54 296
Allowances	3 790	3 768
13th cheque	1 477	1 675
Performance bonus - provision	5 599	5 473
Leave	2 385	975
Overtime	1 511	2 020
Social contributions	13 058	11 871
Medical aid contributions	3 315	3 002
Provident fund contributions	9 435	8 566
UIF	309	303
Pay-as-you-earn	20 063	19 362
Tax expense	20 063	19 362
Skills development levies expenditure	939	864
SDL Expenditure	939	864
COIDA	154	139
Compensation assessment	154	139
	109 303	100 443
Average number of employees	143	147

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

8.1 PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2024

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

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

Year ended 31 March 2023

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

Restated		
Cost	Accumulated depreciation	Closing carrying amount
R'000	R'000	R'000
2 441	(1 591)	851
9 082	(5 800)	3 282
23 527	(12 834)	10 694
5 991	(3 466)	2 526
1 880	(835)	1 044
1 446	(381)	1 065
44 368	(24 907)	19 461
42 488	(24 071)	18 417
1 880	(835)	1 044

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Movement Summary 2024

	Carrying amount 2023	Additions	Disposals	Depreciation charge	Accumulated depreciation on disposal	Carrying amount 2024
	R'000	R'000	R'000	R'000	R'000	R'000
Computer Server	851	-	-	(338)	-	513
Computer equipment	3 280	1 590	(730)	(2 145)	613	2 608
Office furniture and fittings	10 694	873	-	(4 768)	-	6 798
Office equipment	2 525	250	(80)	(1 051)	76	1 720
Leased Assets - Office Equipment	1 044	445	-	(715)	-	775
Motor vehicles	1 066	-	-	(95)	-	971
Balance at end of year	19 460	3 159	(810)	(9 113)	689	13 387

Movement Summary 2023

	Carrying amount 2022	Additions	Disposals	Depreciation charge	Accumulated depreciation on disposal	Carrying amount 2023
	R'000	R'000	R'000	R'000	R'000	R'000
Computer Server	1 051	192	-	(392)	-	851
Computer equipment	4 855	773	(21)	(2 342)	15	3 280
Office furniture and fittings	13 998	1 222	-	(4 527)	-	10 694
Office equipment	2 885	741	(24)	(1 092)	14	2 525
Leased Assets - Office Equipment	1 670	-	-	(627)	-	1 044
Motor vehicles	1 161	-	-	(95)	-	1 066
Balance at end of year	25 620	2 928	(45)	(9 073)	29	19 461

SASSETA incurred R3.4m (2022: R4.2m) on repairs and maintenance of property, plant and equipment. The amounts for the current year include monthly maintenance cost of offices by Attacq.

Impairment

The amount of impairment losses of R12 thousands (2023: R1 thousand) is included in the depreciation line item of office furniture and fittings and office equipment and recognised in surplus of current year. The impairment was due to change of expected useful life, redundancy of the asset and decision to dispose early. The recoverable amount was calculated as value in use.

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for the year ended 31 March 2024

8.2 WORK IN PROGRESS

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

	2023/24	2022/23
	R'000	R'000
Balance at the beginning of the year	798	461
WIP for current year	3 340	336
Transferred to PPE/Intangible assets	-	-
Balance at the end of the year	4 138	798

WIP represent software in the process of development for SASSETA

8.3 INTANGIBLE ASSETS

Year ended 31 March 2024

Computer Software
Balance at end of year

Cost	Accumulated amortization	Closing carrying amount
R'000	R'000	R'000
13 671	(7 540)	6 132
13 671	(7 540)	6 132

Made up as follows:

- Owned assets
- Lease assets

13 671	(7 540)	6 132
-	-	-

Year ended 31 March 2023

Computer Software
Balance at end of year

Cost	Accumulated amortization	Closing carrying amount
R'000	R'000	R'000
11 196	(3 928)	7 268
11 196	(3 928)	7 268

Made up as follows:

- Owned assets
- Lease assets

11 196	(3 928)	7 268
-	-	-

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for the year ended 31 March 2024

	Carrying amount 2023	Additions	Disposals	Amortization charge	Accumulated amortization of disposed assets	Carrying amount 2024
	R'000	R'000	R'000	R'000	R'000	R'000
Movement Summary 2024						
Computer Software	7 268	3 146	(670)	(4 282)	670	6 132
Balance at end of year	7 268	3 146	(670)	(4 282)	670	6 132

	Carrying amount 2022	Additions	Disposals	Amortization charge	Amortization charge	Carrying amount 2024
	R'000	R'000	R'000	R'000	R'000	R'000
Movement Summary 2023						
Computer Software	6 890	3 609	(2 360)	(3 231)	2 360	7 268
Balance at end of year	6 890	3 609	(2 360)	(3 231)	2 360	7 268

8.4 CHANGE IN ACCOUNTING ESTIMATE

The main assumption for the reassessment is:

During the period the useful lives of property, plant and equipment as well as the useful lives of intangible assets were reassessed in line with the requirements of GRAP 17 and GRAP 31.

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

The additional information that became available has resulted in a change in the useful lives of the assets of SASSETA, which constitutes a change in accounting estimate in accordance with GRAP 3. The impact of the change in accounting estimate is a reduction in the annual depreciation and amortisation expenses. It is expected that this trend may continue in future periods. Future depreciation will amount to R244.6 thousand.

The depreciation and amortisation expenses have increased / (decreased) as follows for the 2024 financial year:

Before change in estimate After change in estimate Net Increase /(Decrease)

	R'000	R'000	R'000
Depreciation: Computer equipment	314	157	(157)
Depreciation: Office equipment	145	73	(73)
Depreciation: Furniture & fittings	3	2	(2)
Depreciation: Computer server	26	13	(13)
	489	245	(245)

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for the year ended 31 March 2024

9. TRADE AND OTHER RECEIVABLES

Non-exchange Transactions

	2023/24	2022/23
	R'000	R'000
Employer grant	2 792	3 465
Employer reversals	8 662	9 132
Interseta transfers	10	324
Provision for impairment	(5 880)	(5 991)
Administration grant	4 510	4 303
SDL income	4 504	4 133
Interseta transfers	5	170
Discretionary grant	26	801
Stipend refund	613	160
Interseta transfers	26	801
Provision for impairment	(613)	(160)
	7 328	8 569
Analysis of Statutory Receivables		
Statutory Receivables		
SDL income	4 504	4 133
Interseta transfers	42	1 295
	4 546	5 428

SASSETA receives skills development levy from employers in terms of section 3(1) of the Skills Development Levies Act no. 9 of 1999 (the Act), as amended.

R8.6m (R9.1m) was recognized because of receivables, relating to the overpayment to the levy paying-employers in prior periods, because of levy income reversals done by SARS after the mandatory grants had been paid. SASSETA refunds amounts to employers in the form of mandatory grants, based on information from SARS.

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

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

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

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for the year ended 31 March 2024

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

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

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

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

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

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

R4.5m (R4.1m) was recognized because of a receivable relating to a contribution from SAPS. This amount was settled in April 2023. An element of uncertainty is not applicable. SAPS has demonstrated without fail to honor its obligation towards SASSETA.

Statutory receivables that are past due at reporting date but have not been impaired amounts to R4.5m (R4.1m).

An amount of R42 thousand (R1.3m) was recognised as interseta transfers. Refer to note 21 for detailed disclosure.

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

Reconciliation of provision for impairment

Opening balance	(6 151)	(8 634)
Provision for impairment raised/reverse in current period	(503)	2 483
Amounts written off as uncollectible	-	-
	(6 654)	(6 151)

The provision is raised for employers with a debit balances who cannot be traced over time and the amount is assessed annually. After assesment management reduce the provision with R110 thousand in current year

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

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for the year ended 31 March 2024

The provision comparative figure is adjusted with an amount of R160 thousand due receivable re-allocation to non-exchange receivables.

Exchange Transactions

Rental deposit	3 278	3 278
Interest receivable	309	468
Prepayments	1 984	1 385
Sundry receivables	50	16
Debtors control - Operations	59	-0
	5 681	5 147
Provision for impairment		-
	5 681	5 147

The sundry receivable comparative figure is adjusted with an amount of R160 thousand due to re-allocation to non-exchange. The corresponding provision for impairment is also allocated to non-exchange.

10 INVENTORY

Balance at the beginning of the year	2 123	3 201
Amount utilised	(880)	(2 932)
Purchases	1 305	1 854
Balance at the end of the year	2 548	2 123

Inventory Classification:

Cleaning material and refreshments	109	106
Stationery	1 802	1 635
Marketing tools and promotional items	636	381

11 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	37 258	72 272
Cash at bank	37 258	72 272
Short term investments/instruments	724 488	624 376
Cash and cash equivalents at end of year	761 746	696 648

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The average interest rate on fixed-term bank deposits were 8.17% (2022/23: 5.41%).

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

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

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

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for the year ended 31 March 2024

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

12 LEASES

Finance Lease

2023/24	2022/23
R'000	R'000

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

Future minimum lease payments	885	1 108
Finance costs	(82)	(39)
	803	1 069

Summary Disclosure Note

	2023/24			2022/23		
	Not Later than one year	Later than one year and not later than five years	Total	Not Later than one year	Later than one year and not later than five years	Total
Total Payments						
Photocopy Machine	443	-	443	665	443	1 108
Shredders	155	287	442	-	-	-
	598	287	885	665	443	1 108

	2023/24			2022/23		
	Not Later than one year	Later than one year and not later than five years	Total	Not Later than one year	Later than one year and not later than five years	Total
Capital Portion						
Photocopy Machine	436	-	436	633	436	1 069
Shredders	112	255	366	-	-	-
	548	255	803	633	436	1 069

Finance leases relates to:

- The lease of twelve multifunction printers from Nashua for a total period of three years, commencing on 01 December 2021 and
- The lease of eight Kobra office shredders for a period of three years, commencing on 01 July 2023.

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Operating Lease - as lessee

Total minimum lease payments due

Not later than one year

Later than one year but not later than five years

Later than five years

	2023/24	2022/23
	R'000	R'000
Not later than one year	11 046	10 227
Later than one year but not later than five years	16 006	27 052
Later than five years	-	-
	27 052	37 280

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

13 TRADE AND OTHER PAYABLES

From Non-Exchange transactions

Employer grant - accrual/payable

DHET control account

Trade payables

Accruals

Employer grant - accrual/payable	838	887
DHET control account	7	7
Trade payables	53 344	20 224
Accruals	39 962	55 553
	94 152	76 671

From Exchange transactions

Trade payables

Accruals

Income received in advance

Employee cost related

Straight lining - leases

Trade payables	1 709	3 485
Accruals	8 190	6 814
Income received in advance	917	917
Employee cost related	1 071	1 133
Straight lining - leases	2 439	2 118
	14 326	14 466

14 PROVISIONS

	Overtime	Performance Bonus	Leave pay	500K	Other	Total
Open carrying amount	3	5 699	4 393	7 236	2 145	19 475
Amounts utilised	(55)	(5 564)	(1 359)	(1 205)	(238)	(8 421)
Change in estimate	105	5 608	2 385	1 272	96	9 466
Closing carrying amount	52	5 743	5 419	7 303	2 002	20 519

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

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

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

	2023/24	2022/23
	R'000	R'000
Net Surplus/ (deficit) as per Statement of Financial Performance	42 826	70 301
Adjusted for non-cash items:		
Depreciation and amortisation	13 395	12 297
Interest paid finance lease	39	55
Prior period adjustments	-	(598)
Loss / (profit) on disposal of property, plant and equipment	45	15
Impairment loss on receivables	0	160
Movement of provisions admin	1 044	690
Adjusted for working capital changes:	17 623	9 097
(Increase)/ Decrease in receivables	708	(128)
(Increase)/ Decrease in inventory	(425)	1 392
(Decrease)/Increase in payables	17 340	7 833
<i>Cash generated by operations</i>	74 972	92 016

16 CONTINGENCIES

16.1 Contingent Liabilities

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

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

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

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

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

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

R1 012 500.00 was the value of the claim against SASSETA. SEGOALE and SASSETA entered into a settlement agreement in 2018, after SEGOALE had taken SASSETA to arbitration following SASSETA's intention to cancel the agreement on the basis of irregularities uncovered by a forensic report. In July 2019 SEGOALE instituted a High Court action for alleged breach of the settlement agreement by SASSETA. We have accepted or objected to their particulars of claim and are now merely awaiting a hearing date. Amount claimed is R159 thousands.

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

Case: AFSA Arbitration re: Claim for payment of an invoice – LILNAR TRADING (PTY) LTD t/a IT RELATED: LILNAR served SASSETA with a statutory notice demanding payment of R389 766.00 deposit in respect of a project that suffered supply chain related delays. SASSETA refused to pay this amount and advised LILNAR on account of the fact that services were not actually rendered. LILNAR referred the matter for arbitration. The matter is currently before the Arbitration Foundation of South Africa (“AFSA”) and a pre-arbitration conference has been concluded. The matter initially received a set down date but the Arbitrator was not available on said date and we are now awaiting a new set down date. Awaiting amendment of statement of claim

5 CASE: BUSA

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

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

6 CASE: MANANA MOROKA // SASSETA AND DHET

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

6.2 First Time Employer registrations

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

The employer grant reserve carries accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years. An amount of R483.1 thousand (2022/23: R457.6 thousand) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the period ending 31 March.

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

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16.3 Surplus Funds

Cash surplus

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

The SASSETA was granted approval by the Minister of Higher Education, Science and Innovation in terms of the Skills Development Act to retain the cash surplus of R599.3 million (restated: R599.1) for the 2022/23 financial year.

Net cash surplus for the year ended 31 March 2024 amounts to R645.2 million, in line with Annexure A of the National Treasury Instruction 12 of 2020/21 and the Skills Development Act.

	Restated	
	2023/24	2022/23
	R'000	R'000
Cash and cash equivalents at the end of year	761 746	696 648
Add: Receivables	13 009	13 716
Less: Current liabilities	(129 545)	(111 245)
Net cash surplus	645 209	599 120

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17 COMMITMENTS

As at 31 March 2024, SASSETA had discretionary grant reserves of R647.0m to utilize against a definite pivotal/non-pivotal commitment closing balance of R567.5m.

PIVOTAL

A. Definite

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

Project classification	Adjusted opening balance: 1 April 2023	Subsequent adjustment to the initial contract amount	New projects in 2023/24	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2024
Adult Education & Training	500	-	-	(460)	-	40
Artisan	87 515	-	45 425	(27 967)	(19 985)	84 988
Bursaries - Employed	10 671	-	14 472	(3 566)	(2 964)	18 613
Bursaries - Unemployed	73 626	-	25 646	(25 030)	(14 733)	59 509
Candidacy	59 825	-	39 396	(37 173)	(8 287)	53 761
Internship Graduate Placement	87 654	-	103 248	(49 194)	(26 076)	115 632
Learnership - Employed	25 129	-	11 956	(17 599)	(1 357)	18 129
Learnership - Unemployed	79 360	-	65 885	(68 785)	(11 386)	65 074
Lecture development	200	-	-	-	(200)	-
Skills Program - Employed	11 649	-	7 326	(8 844)	(2 716)	7 415
Skills Program - Unemployed	2 819	-	6 255	(3 858)	(249)	4 967
TVET Graduate Placement	68 214	-	39 567	(44 848)	(4 408)	58 525
University of Technology Placement	6 480	-	5 985	(5 633)	(2 827)	4 005
University Placement	395	-	-	-	(395)	-
Recognition of Prior Learning	-	-	2 510	(208)	-	2 302
	514 037	-	367 671	(293 165)	(95 583)	492 960

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B. Not Definite

Not Definite Commitment is represented by the following instances:

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

Project classification	Adjusted opening balance: 1 April 2023	Subsequent adjustment to the initial contract amount	New projects in 2023/24	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2024
Bursaries - Unemployed	-	-	4 800	-	-	4 800
Learnership - Employed	-	-	1 320	-	-	1 320
Learnership - Unemployed	-	-	6 480	-	-	6 480
Skills Program - Employed	-	-	1 100	-	-	1 100
	-	-	13 700	-	-	13 700
Total: definite/not definite commitment	514 037	-	381 371	(293 165)	(95 583)	506 660

NON-PIVOTAL

A. Definite

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

Project classification	Adjusted opening balance: 1 April 2023	Subsequent adjustment to the initial contract amount	New projects in 2023/24	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2024
Non-Pivotal	78 060	-	960	(31 221)	(13 900)	33 899
	78 060	-	960	(31 221)	(13 900)	33 899

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B. Not Definite

Not Definite Commitment is represented by the following instances:

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

Project classification	Adjusted opening balance: 1 April 2023	Subsequent adjustment to the initial contract amount	New projects in 2023/24	Annual expenditure	Write back/savings and cancellations	Closing balance: 31 March 2024
Non-Pivotal			26 957			26 957
	-	-	26 957	-	-	26 957
Total: definite/not definite commitment	78 060	-	27 917	(31 221)	(13 900)	60 856
Overall total commitment balance						567 516

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

18.1 Irregular Expenditure and Fruitless and Wasteful Expenditure

Irregular expenditure

Closing Balance

	2023/24	2022/23
	R'000	R'000
Irregular expenditure	1 256	1 058
Closing Balance	1 256	1 058

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

Incidents 2023/24	Description	Disciplinary steps taken/ Criminal Proceedings	2023/24	2022/23
			R'000	R'000
Non-compliance regarding appointment of members of the Accounting Authority	The irregular expenditure incurred in the current year is as a result of non-compliance by the DHET in the appointment of certain Accounting Authority members. SASSETA suffered no losses. The implementation of the outcome and recommendations subsequent to conclusion of the determination test will also be managed by the DHET. This did not result in fraudulent, corrupt or any criminal conduct.	No official should be subjected to disciplinary action.	1 210	1 058
Deviation process on supply chain management	The irregular expenditure incurred is due to the interpretation of the supply chain requirements, management prudently disclosed this amount as irregular at year end. Subsequently an amount of R28 591.00 was recovered being in respect of services not yet rendered. This did not result in any fraudulent, corrupt or any criminal conduct.	No official should be subjected to disciplinary action.	46	-
			1 256	1 058

Restatement of opening balances

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

Impracticability Judgment

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

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18.3 Fruitless and wasteful expenditure

	2023/24	2022/23
	R'000	R'000
Opening balance	-	22
Add: Fruitless and wasteful expenditure current year	-	-
Add: Prior period fruitless and wasteful expenditure	-	-
Less: Amounts written off	-	(22)
Less: Amounts recovered	-	-
Fruitless & wasteful expenditure awaiting write off	-	-
Analysis of expenditure per age classification		
Current year	-	-
Prior years	-	22
Total	-	22

19 PRIOR YEAR ERRORS

Prior period error is due to correcting various accounting transactions in 2022/23 financial year. The net impact in the Statement of Financial Performance is R402.1 thousand.

The impact is narrated below but not limited to:

Administration expense

- Increase of retrospective recognition of cost for servicing of fire extinguishers R32.6 thousand
- Decrease of Legal fees accrued for R117.5 thousand
- Decrease due to rehabilitation costs and amortisation of TI allowance R0.4 thousand
- Increase depreciation retrospectively accounted for R 8.0 thousand
- Increase Performance Bonus for CCMA case R135 thousand
- Decrease for the retrospective recognition of stationery R313 thousand
- Increase in depreciation and amortisation of property plant and equipment and software of R7.8 thousand

Employer grant and project expenses

- The decrease due to stipend overpayment recovered R146.5 thousand.
- The decrease due to reversal of credit notes on Discretionary grant programs R196.3 thousand.

Trade and other payables: non exchange transactions

- The decrease of R146 thousand is a stipend overpayment recovered
- The decrease of R 196 thousand is retrospective reversal of credit note for various Discretionary grant programs

Trade and other payables: exchange transactions

- The increase in payables of retrospective recognition of servicing of fire extinguishers of R32.6 thousand
- The decrease in payables of retrospective legal fees accrued of R117.5 thousand
- The increase in payables of retrospective recognition of assets purchased R507 thousand"

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for the year ended 31 March 2024

Inventory

The increase in inventory of retrospective recognition of stationery purchased of R313.6 thousand

Provision

The increase R134.8 thousand relate to correction to provision for rehab costs and amortisation of TI allowance and performance bonus

Property plant and equipment

The increase R431.0 thousand relate to fixed assets retrospectively accounted for

Intangible assets

The increase R69.0 thousand relate to intangible assets retrospectively accounted for

Reserves

The increase of R255 thousand for Administrative reserve result of the decrease in expenditure

The increase of R343 thousand of Discretionary grant reserve result of the decrease in expenditure

Impact on the Statement of Financial Performance

Surplus/(deficit) as previously stated	69 702
	598
Decrease discretionary grant expenditure	343
Decrease in administration expenditure	255
Adjusted (surplus)/deficit	70 300
Impact on the Statement of Financial Position	598
Decrease accounts payable - non exchange	343
Increase accounts payable - exchange	(423)
Increase inventory	314
Increase in provisions	(135)
Increase in intangible assets	69
Increase in property plant and equipment	431
Reserves	(598)
Decrease in Administration reserve	(255)
Decrease in Discretionary reserve	(343)

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for the year ended 31 March 2024

20 RISK MANAGEMENT

Interest rate risk

The Seta manages its interest rate risk by effectively investing Seta surplus cash in short term deposits with different financial institutions according to the Seta's investment policy. SASSETA invest in fixed interest rate.

The SETA limits its counter - party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the Chief Financial Officer. Credit risk in respect of South African Revenue Services (SARS) is limited as it is a government entity of sound reputation.

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

	Floating rate		Non-interest bearing	Total R'000
	Amount R'000	Effective interest rate	Amount R'000	
Year ended 31 March 2024				
Cash	761 746	8.21%	-	761 746
Trade and other receivable - exchange	-		5 681	5 681
Total financial assets	761 746		5 681	767 427
Trade and other payables - exchange	-		14 326	14 326
Trade and other payables - non-exchange	-		93 306	93 306
Total financial liabilities	-		107 632	107 632
Year ended 31 March 2023				
Cash	696 648	5.41%	-	696 648
Trade and other receivable - exchange	-		5 147	5 147
Total financial assets	696 648		5 147	701 796
Trade and other payables - exchange	-		14 466	14 466
Trade and other payables - non-exchange	-		75 777	75 777
Total financial liabilities	-		90 243	90 243

Credit risk

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

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

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for the year ended 31 March 2024

owed by SARS. This concentration of risk is limited, as SARS is a government entity with a good reputation. The SETA managed to limit its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of our investment policy in terms of Treasury Regulations. The credit ratings of the financial institutions holding the SETA's bank balances and short term investments is regularly assessed. The SETA's exposure is continuously monitored by the finance committee. Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA does not any material exposure to any individual or counter-party. The SETA's concentration of credit risk is limited to the industry (Safety and Security industries) in which the SETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivables that has not been adequately provided for.

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

The ageing of trade and other receivables - exchange:

	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Past due 0 - 30 days	2 402	-	1 869	-
Past due 31 - 90 days	-	-	-	-
Past due 90 and above	3 278	-	3 278	-
	5 680	-	5 147	-

The ageing of cash and cash equivalents:

	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Not past due	761 746	-	696 648	-

Liquidity risk

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

The ageing of trade and other payables exchange:

	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Past due 0 - 30 days	13 409	-	13 550	-
Past due 90 and above	917	-	917	-
	14 326	-	14 466	-

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for the year ended 31 March 2024

The ageing of trade and other payables non-exchange:

	2023/24		2022/23	
	Gross	Impairment	Gross	Impairment
Past due 0 - 30 days	93 306	-	75 777	-
	93 306	-	75 777	-

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

Fair values

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

Cash and cash equivalents

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

Accounts receivable

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

Investments

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

Borrowings

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

Accounts payable

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

21 RELATED PARTIES AND RELATED PARTY TRANSACTION

21.1 Controlling entity:

Department of Higher Education and Training (DHET)

SASSETA has been established by the Department of Higher Education and Training (DHET) in terms of the Skills Development Act no. 97 of 1998. The Minister of Higher Education and Training is the executive authority of SASSETA. SASSETA is ultimately controlled by the DHET. It is therefore related to all other entities within the DHET. SASSETA is funded by levies collected by SARS. SARS transfers all levies collected to the DHET, and DHET then split and distributes the levies to each respective SETA and the NSF. Outstanding balances at year-end amounted to R nil (2022/23: R nil).

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for the year ended 31 March 2024

21.2 Entities under common control

21.2.1 The Quality Council for Trades and Occupations (QCTO)

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

The annual contributions by the SETAs are determined in advance by the Minister, and such amount should not exceed the legislated limit of 0.5% of annual levies.

The legal mandate of SETAs provides for the SETAs to contribute part of the skills development levies collected towards funding the work of QCTO. Outstanding balances at year-end amounted to R nil (2022/23: R nil).

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

Transactions between SASSETA and public universities and TVETs occur within:

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

21.2.2.1 Public Universities

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

The following are outstanding balances between SASSETA and public universities:

	2023/24	2022/23
	R'000	R'000
Accrual	(8 075)	(9 994)
Payable	(5 607)	(1 465)
	(13 682)	(11 460)

21.2.2.2 TVET Colleges

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

The following are outstanding balances between SASSETA and TVET colleges:

	2023/24	2022/23
	R'000	R'000
Accrual	(6 762)	(3 341)
Payable	(13 582)	(6 925)
	(20 344)	(10 267)

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for the year ended 31 March 2024

21.2.2.3 CET Colleges

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

The following are outstanding balances between SASSETA and CET colleges:

	2023/24	2022/23
	R'000	R'000
Accrual	(230)	-
Payable	-	-
	(230)	-

21.2.3 Other SETA's

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

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

The transfers between SETAs occur within:

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

On 31 March 2024, the following balances were outstanding between SASSETA and other SETAs

	2023/24	2022/23
	R'000	R'000
CETA	12	12
MICT Seta	30	30
Services Seta	-	1 253
	42	1 283

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for the year ended 31 March 2024

21.3 Remuneration of Key Management

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

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

Name	2023/24					2022/23
	R'000					R'000
	Total Salary	Performance Bonuses	Employer contributions	Other benefits	Total	Total
Mdontswa, T (CEO)	2 527	177	24	93	2 820	2 485
Diale, I (CFO)	2 269	144	50	49	2 512	2 331
Amod, J	1 916	121	69	100	2 207	1 992
Memela, V	1 916	121	40	53	2 130	1 943
Ngwenya, S	958	121	34	147	1 261	1 923
	9 587	685	217	442	10 931	10 674

21.4 SASSETA Board Remuneration

Board Member	2023/24			2022/23
	R'000			R'000
	Meeting Allowance	Tools of Trade	Total	Total
Mudau Maphari Christopher	392	23	415	333
Moyo Khumbulani	361	23	384	340
Mashoene Felicia E	293	23	316	257
Tsundzuka Moyana	265	23	289	46
Pakati Zandile	260	23	283	226
Luzipho Nontembeko	258	23	281	281
Mashau Ndivhuwo R	249	23	272	216
Zulu Bongwiwe Maltida Dr	250	-	250	230
Tshilambavhumwa Nndwakhulu Eric	205	23	228	205
Majozi Mbuso Michael	160	23	183	230
Conradie Steve	38	23	61	122
Mphela Raisibe Elizabeth	-	23	23	23
Molefe Motlalepula	-	23	23	23
	2 732	276	3 008	2 533

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for the year ended 31 March 2024

21.5 Audit Committee Remuneration

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

Mushwana, P
Pillay, M (Chairperson)
Gutshwa, B

2023/24			2022/23
R'000			R'000
Meeting Allowance	Tools of Trade	Total	Total
171	8	179	216
133	8	140	204
167	8	174	195
470	23	494	615

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for the year ended 31 March 2024

21.6 Chamber Committee Remuneration	2023/24			2022/23
	R'000			R'000
Chamber Representation	Meeting Allowance	Tools of Trade	Total	Total
Justice				
Adonis, C	59	8	67	56
Robert, M	-	-	-	-
Tshoke, E	47	1	48	48
Van Loggenberg, D	52	8	60	48
	158	16	174	151
Police				
Gossmann, L	52	8	60	48
Maphala, V	-	8	8	-
Maponyane, K	67	8	75	59
Mokokong, V	40	8	48	48
Ntsime, P	52	8	60	36
Tundzi, T	52	8	60	49
	264	46	310	239
Legal				
Badela, G	53	8	60	48
Bhembe, P	-	-	-	-
Gladwin-Wood, C	49	8	57	48
Murugan, A	43	8	51	56
Singh, J	36	8	44	48
	181	31	211	200
Corrections				
Frede, F	52	13	66	49
Gadisa, T	55	13	68	52
Madihlaba, D	-	-	-	-
Marimani, X	51	13	64	56
	158	40	198	158
Private Security				
Bhembe, M	40	8	48	47
Fowlds, E	-	-	-	-
Hlatswayo, B	52	8	60	49
Mashigo, A	44	8	52	48
Ntshangase, V	60	8	68	32
Ralioma, I	16	8	24	24
Ramambila, V	52	8	60	48
	265	46	311	248
	1 025	179	1 204	995

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for the year ended 31 March 2024

	2023/24	2022/23
	R'000	R'000
Aggregated governance remuneration	4 706	4 142
Number of personnel	42	39

22 NEW ACCOUNTING PRONOUNCEMENTS

GRAP Standards Approved and Not Yet Effective

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

GRAP No	Title	Date of Issue	Impact on entity
GRAP 1	Amendments to Presentation on Financial Statements (going concern)	December 2022	No material Impact
GRAP 103	Heritage Assets	June 2022	No material Impact
GRAP 104	Financial Instruments	April 2025	No material Impact
GRAP 105	Transfer of Functions Between Entities Under Common Control	February 2024	No material Impact
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	February 2024	No material Impact
GRAP 107	Mergers	February 2024	No material Impact
Improvements to Standards of GRAP 2023	Improvements to Standards of GRAP	September 2023	No material Impact

23 BUDGET DIFFERENCE

NOTES

23.1 Skills Development Levy Income:

- Private levies received exceeded the budget with R11.7m. There was an increase of the number of companies contributing levies in current year.
- Penalty and interest on SDL was R2.1m below the budget. This relate to levies due not paid over by employers which get collected by SARS.
- Contributions from government departments came in just below the budget with R1.9m. Four government departments can only afford to contribute on the 10% basis. Seven (7) government organs contributed at 30% basis, although contributions from three (3) organs is less than R2m combined.
- Other income refer to mandatory grants received for WSP's and ATR submitted

23.2 Investment Income:

- All SASSETA reserved funds is invested with The Corporation for Public Deposits. The average rate of return on investment is 8.17%.
- Late servicing of commitment/projects resulted that there were sufficient cash reserves for longer term investments.
- Monthly cash forecasting techniques assisted in determining the monthly required cash.

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for the year ended 31 March 2024

23.3 Administration Expenditure:

- Though cost containment was adhered to administration expenditure was R26.7m below budget. Key expenditure which impacted administration expenditure:
 - i. Automatisation the ICT infrastructure and software systems was delayed and will be implemented in place new financial year
 - ii. Upgrade the security systems still to be addressed
 - iii. Filing and Archiving contract contract has been reduced due the certain components not required set aside
 - iv. Stipend disbursement and management solutions still to be implemented,
 - v. Conflict of interest and CAATS projects was reduced in current year

23.4 Mandatory Grant:

- Mandatory grant expenditure is below the approved budget by R3.7m. The payments is based on WSP's submitted.
- Any unutilised amount will be transferred to discretionary grant revenue.

23.5 Project/discretionary spending:

- All awarded projects were subject to the LPERC evaluation and adjudication process.
- Late advertisement of funding windows resulted in late awarded and implementation of projects.
- The discretionary grant expenditure was driven by the servicing of commitments that were awarded at the later part of 2022/23 financial year.
- Project expenditure amount to R328.9m which was R6.3m below budget.
- Included in the R328.9m is R31.7m for non-pivotal and R3.2m used for project administration expenditure
- SASSETA also had co-funded projects where possible.

23.6 Surplus/(Deficit):

- SASSETA' operating surplus for the year amounted to R42.8m when compared to a restated surplus of R70.3m in the prior year.

23.7 Budget revision

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

24 GOING CONCERN

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

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

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

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for the year ended 31 March 2024

25 SUBSEQUENT EVENTS

Discovery Soccer Park t/a Newshelf 883 (Pty) Ltd

In the current financial year an amount of R46 405.00 was spend on employee wellness program incurred through a deviation process. Due to the interpretation of the supply chain requirements, management prudently disclosed this amount as irregular at year end. Subsequently an amount of R28 591.00 was recovered being in respect of services not yet rendered.

LIST OF ABBREVIATIONS

AA	Accounting Authority
AGM	Annual General Meeting
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act
BCM	Business Continuity Management
CA(SA)	Chartered Accountant South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICTPF	Corporate Governance of Information, Communication and Technology Policy Framework
CJS	Criminal Justice System
COMSEC	Electronic Communications Security (Pty) Ltd
CPF	Community Policing Forum
CSIR	Council for Scientific and industrial Research
CSPS	Civilian Secretariat for Police, Service
DCS	Department of Correctional Services
DHET	Department of Higher Education, and Training
DOD	Department of Defence
DoJCD	Department of Justice and Constitutional Development
DQP	Degree Qualification Profile
EE	Employment Equity
ERM	Enterprise Risk Management
ETDP	Education, Training and Development
ETQA	Education and Training Quality Assurance
Exco	Executive Committee
GBV	Gender-based Violence
GRAP	Generally Recognised Accounting Practice
HEI	Higher education institutions
HR	Human Resources
HRDSA	Human Resource Development Strategy for South Africa
HVAC	Heating, Ventilation, Air-Conditioning
ICT	Information Communications Technology
IMIS	Integrated Management Information System
ISO	International Standards Organisation

ITIL	Information Technology Infrastructure Library
IIA	Institute of Internal Auditors
JCPS	Justice Crime Prevention and Security Cluster
LIPID	Independent Police Investigative Directorate
LPQA	Learning Programmes Quality Assurance
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NAMB	National Artisan Moderating Body
NC	National Certificate
NCC	National Communications Centre
NDP	National Development Plan
NGO	Non-government Organisation
NGP	New Growth Path
NICRO	South African National Institute for Crime Prevention and the Reintegration of Offenders.
NLRD	National Learner Record Database
NPA	National Prosecuting Authority
NPO	Non-profit Organisation
NPPSET	National Plan for PSET
NQF	National Qualifications Framework
NQFA	National Qualifications Framework Act
NSDP	National Skills Development Plan, 2030
NSDS	National Skills Development Strategy
NT	National Treasury
OIC	Office for Interception Centres
OQSF	Occupational Qualifications Sub-Framework
PFMA	Public Finance Management Act
PMS	Performance Management System
PSET	Post-School Education and Training
QALA	Quality Assurance of Learner Achievements
QCTO	Quality Council for Trades and Occupations
QDF	Qualification Development Facilitator
QLFS	Quarterly Labour Force Survey
RMTC	Road Traffic Management Corporation
RPL	Recognition of Prior Learning
SANAI	South African National Academy of Intelligence
SANDF	South African National Defence Force

SAPS	South African Police Services
SAQA	South African Qualifications Authority
SASS	South African Secret Service (SASS)
SCM	Supply chain management
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIU	Special Investigations Unit
SLA	Service level agreement
SMME	Small, medium and micro-enterprises
SSA	State Security Agency
TVET	Technical Vocational Education and Training
VSOC	Virtual Security Operations Centre
WSP	Workplace Skills Plan

ACCOUNTING AUTHORITY AND EXECUTIVE MANAGEMENT



FRONT ROW

1. Mr Vukani Memela: Executive Manager Skills and Research, Monitoring, Evaluation and Reporting
2. Ms Juwayria Amod: Executive Manager Learning Programmes
3. Mr Chris Mudau: Chairperson of the Accounting Authority
4. Mr Ikalafeng Diale: Chief Financial Officer
5. Ms Sibongile Ngwenya: Executive Manager Corporate Services (Resigned: September 2023)

BACK ROW

1. Ms Raisebe Mphela
2. Mr Robert Mashau
3. MS Zandile Pakathi
4. Ms Mottalepula Molefe
5. Mr Eric Tshilambavhumwa
6. Mr Thamsanqa Mdontswa, Chief Executive Officer
7. Mr Steve Conradie
8. Lt. Gen. (Dr) Bongive Zulu
9. Ms Nontembeko Luzipho
10. Mr Khumbulani Moyo
11. Adv. Mbuso Majozi
12. Ms Felicia Mashoene
13. Mr Albert Moyana

Not in this photo: Lt Gen Khulekani Mbatha



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