



ANNUAL REPORT

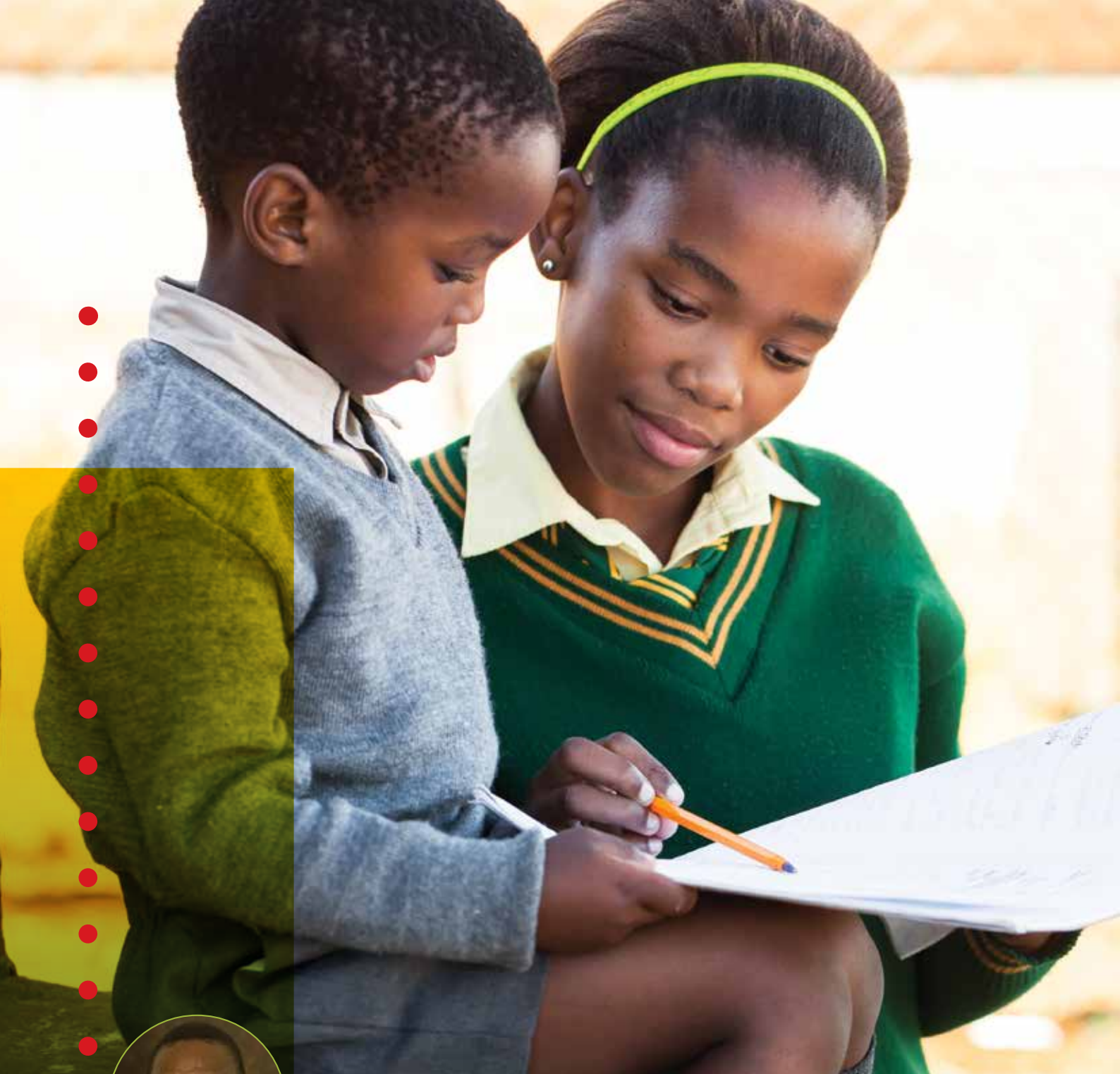
2012- 2013



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



Health and Welfare Sector
Education and Training Authority
HWSETA



*Dr Bonginkosi Emmanuel "Blade" Nzimande
Minister of Higher Education & Training*



*Nozipho January-Bardill
Chairman*

*It is my pleasure to present to you
the Annual Report of the Health and Welfare SETA
for the financial year ended
31 March 2013*

VISION

The creation of a skilled workforce for the health and social development needs of all South Africans.

MISSION

The Health and Welfare Sector Education and Training Authority endeavours to create an integrated approach to the development and provision of appropriate skilled health and social development workers, to render quality services comparable to world-class standards.



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Health and Welfare Sector
Education and Training Authority
HWSETA

ANNUAL REPORT OF THE HWSETA

(Health and Welfare Sector Education and Training Authority)

1 April 2012 to 31 March 2013

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PHILOSOPHY - THE
HWSETA ESPOUSES
THE PHILOSOPHY OF
A BETTER LIFE FOR ALL
THROUGH PEOPLE
DEVELOPMENT.

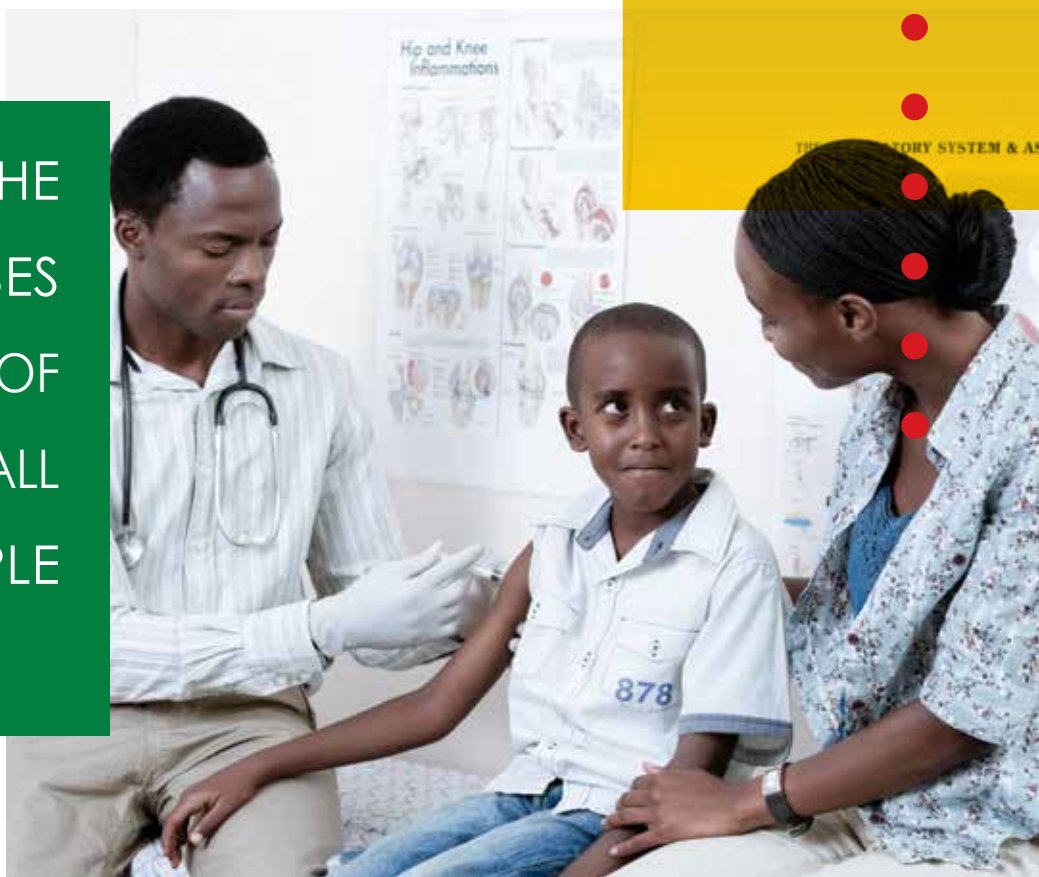


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SECTION 1

CHAIRMAN'S REPORT

THE HWSETA LOOKS FORWARD TO IMPROVING OUR PERFORMANCE INFORMATION. IMPACT RATHER THAN OUTPUT WILL INFORM HOW THE BUDGET HAS BEEN UTILISED.

CHAIRMAN'S REPORT

The end of the second year of the appointment of the “new” board of the Health and Welfare sector has highlighted a number of issues for the accounting authority.



*Nozipho January-Bardill
Chairman of the Board*

THESE ISSUES HAVE COMPRISED BOTH THE JOYS AND CHALLENGES OF MANAGING A SETA.

Our external environment is constantly changing from a legal and regulatory perspective, and our internal environment has required a management approach that is kind but very firm. Change management and professionalising our work practices remain central to our approach as we grapple with enhancing our institutional arrangements to offer our main stakeholders, the learners, the best and most efficient services. The Board is also concerned about developing a delivery model that is accountable to the Department of Higher Education and Training (DHET), the levy paying institutions from where we receive our enormous resources, and the recipients of SETA grants.

NSDS III

The attainment of the NSDS III targets in the year 2012/2013 has required measures not only to accelerate delivery but also to implement the service level agreement between the DHET and the HWSETA. Capacity constraints and the uncertainties of the ETQA function in relation to the QCTO have been the most pressing challenges for the executives of the organisation, and have been largely responsible for hindering the desired effectiveness of the SETA. The dynamics of the environment in which the sector operates

have required the HWSETA to review all its policies, practices and programmes. The implementation of certain targets set in the 2012/13 financial year, for example, will be completed only in the following year. The directive by NSDS III to set 5 year strategic targets has influenced the annual planning methodology of the HWSETA.

The supply and demand sides of the sector are forever changing and growing. In this regard, requests for accreditation from various service delivery organisations and the DHET's leanings for FETs to deliver HWSETA services has put some pressure on management to seek amicable and balanced solutions that will please most service providers.

HUMAN RESOURCES

The new delivery approach has placed much pressure on the Executive management and staff of the HWSETA. The Board is pleased to say that the appointment in September 2012 of our new CEO, Ms Yvonne Mbane was a notable success. Under her firm and kind leadership the HWSETA has made enormous strides to repair relationships with stakeholders who were unhappy with some of the inefficiencies that she found on arrival. She has managed to strengthen the morale of her management team whom she mobilised to assist in addressing a number of backlogs that compromised the reputation of the HWSETA. All of them increased their already heavy workload to assist in improving the services of the HWSETA, and we commend and applaud them for their efforts.

A new ICT Manager was recruited before the end of the financial year to improve our management information systems and the IT policy review process. This has led to other changes being effected to enhance our stakeholder relations and service delivery objectives.

CAPACITY TO DELIVER

A need arose to augment on the current provincial capacity. A number of positions were added to the already approved provincial structure. These positions will be filled in the

coming year. In addition, management saw a need to improve on the communication and records management functional areas. A delivery model was approved whereby certain basic functions will be decentralised to ensure expedition of processes and proximity of stakeholders to our services. The norms and standards will be communicated and implemented once the resources are on board in the coming year.

GOVERNANCE

Since its appointment, three members of the Board left for professional and personal reasons, and we are pleased to report that all were replaced without much disruption to our work.

The Board concluded its own annual assessment to identify any gaps if they exist and take corrective action. All the requisite structures such as Standing Committees of the Board are functional and effective to create an enabling environment for the Executives to deliver on their mandate. The HWSETA has taken strides to address and mitigate identified risks in the risk register. This is a new culture which is being inculcated. The Board is planning to engage more with the stakeholders, particularly in those provinces where the HWSETA is not physically present. This is an effort to improve our responsiveness to the needs of the sector and country at large.

FINANCIAL MANAGEMENT

The HWSETA has collected R337 million, 15% more than the R292 million expected. The mandatory grant participation rate increased by 7% in the current year.

Expenditure was controlled within the available budget. This resulted in a 9% under spending on the administration budget allocated for the year. Discretionary grant expenditure was lower than budgeted for due to challenges of our employers not meeting the set criteria for accessing this grant. A concerted effort will be made to ensure improvement in the coming year.

We enjoyed continued support from our sector departments: Health and Social Development, with only two provincial departments not honoring their commitments. This challenge will be addressed through the implementation of the Cabinet Circular on payment of skills levies by government departments that will be implemented with effect from 1 April 2013. The R106 million surplus in the current year has been transferred into the Discretionary Grant Reserves to fund for the stretched targets of

2013/14 year. The Board is pleased to report that the HWSETA was able to maintain an unqualified audit, with no emphasis of matter.

PERFORMANCE INFORMATION

The HWSETA looks forward to improving our performance information. Impact rather than output will inform how the budget has been utilised. There have been challenges in the ETQA function. Measures are in place to ensure improvement to expedite delivery and reporting. Systems and processes are being developed to address the identified gaps and challenges. The return on that investment will be observed at the end of the coming year.

STAKEHOLDER RELATIONSHIPS

The participation rate in the SETA processes by employers improved from 61% to 68% in the year. However, we would appreciate a 100% participation rate as a majority of our programmes need to be employer initiated. The Board meetings will be rotated in provinces, whereby stakeholders will get an opportunity to engage Board members. Stakeholder engagement processes to build capacity in private providers and to encourage the NGO sector to meaningfully support our course of skilling the workers and creating opportunities for employment have been created. A substantial number of proposals were approved towards the end of the year, funded through the discretionary grant, and these will be implemented in the next year.

CONCLUSION

With the additional capacity at provincial level, the delegation of responsibilities and powers to the provincial offices, and the strengthening of relations with all critical role players in the sector, the HWSETA would want to reap a return on that investment. It is envisaged that our services and stakeholder relations will improve through robust strategic interventions. The CEO as well as her Executive team and all staff are expected to drive the vision and mission of the HWSETA in the coming year and achieve all the objectives of the NSDS III.



OUR EXTERNAL ENVIRONMENT IS CONSTANTLY CHANGING FROM A LEGAL AND REGULATORY PERSPECTIVE, AND OUR INTERNAL ENVIRONMENT HAS REQUIRED A MANAGEMENT APPROACH THAT IS KIND BUT VERY FIRM.



SECTION 2

CHIEF EXECUTIVE OFFICER'S REPORT

IN THE YEAR UNDER REVIEW, 75% OF THE TARGETS WERE ACHIEVED. THE 25% WHICH IS NOT COMPLETED, IMPLEMENTATION HAS COMMENCED AND THE COMPLETION CAN ONLY BE REALISED AT THE END OF THE COMING YEAR.

CHIEF EXECUTIVE OFFICER'S REPORT

Having assumed duty on 1 September 2012, I came to a realisation that it cannot be business as usual.



Ms Yvonne Mbane
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Yvonne Mbane'.

THERE WAS A NEED TO TAKE DRASTIC MEASURES TO ACCELERATE DELIVERY AND AT THE SAME TIME ENSURE COMPLIANCE. THIS PUT THE BOARD AND ALL THE COMMITTEES UNDER TREMENDOUS PRESSURE TO GO THE EXTRA MILE OF HAVING ADDITIONAL MEETINGS AND TELECONFERENCES TO CONSIDER VARIOUS PROPOSALS AIMED AT IMPROVING THE SERVICES PARTICULARLY IN THE ETQA DIVISION.

Therefore, the following are the key issues addressed during the year under review:

Service Delivery Improvement

There are measures put in place to ensure improvement of services to the stakeholders. Capacity to render basic services at provincial level was enhanced as it was found to be inadequate. An organisational development process which entailed the revision of the Delivery Model, whereby certain identified functions will be decentralised in an effort to be responsive to the needs of the stakeholders. Satellite offices have been planned at FET Colleges for the coming year. This will strengthen the partnerships which are already in existence with these colleges.

Norms and standards were agreed upon to ensure that processes within the ETQA function are attended to within certain time frames. In an effort to expedite delivery in the accreditation processes, the board approved that learning material of the six sought after qualifications be developed centrally and distributed, upon request. This will ensure uniformity and standardisation and at the same time expedite delivery. However, it should be noted that the current situation presents a challenge in terms of planning for resources to employ in the function. Policies and procedures will be reviewed to improve and sustain the gains in the function.

Performance management tools at the executive level were reviewed to ensure accountability. This will address the qualification finding in the performance information of the ETQA function. The records management function and communication has been elevated to ensure compliance and improvement of the services. The implementation will begin in the coming year.

Achievement of targets

In the year under review, 75% of the targets were achieved. The 25% which is not completed, implementation has commenced and the completion can only be realised



at the end of the coming year. Therefore, these can only be reported as complete in the coming year. The SETA is exploring the possibility of aligning policies to the schedules of various subsectors so that there is synergy and seamless delivery in facilitation of skills development in the sector and the country at large.

Internal Controls

The HWSETA has in the year under review ensured that improvements in the internal control environment are put in place. This will create an enabling environment to ensure delivery of the targets, while achieving an unqualified audit without matters of emphasis as well as ensuring that the risk of corruption is mitigated. The HWSETA was able to improve its operations in finance and other programmes. Quite a number of policies were reviewed to close all the identified gaps. The risk management culture is maturing

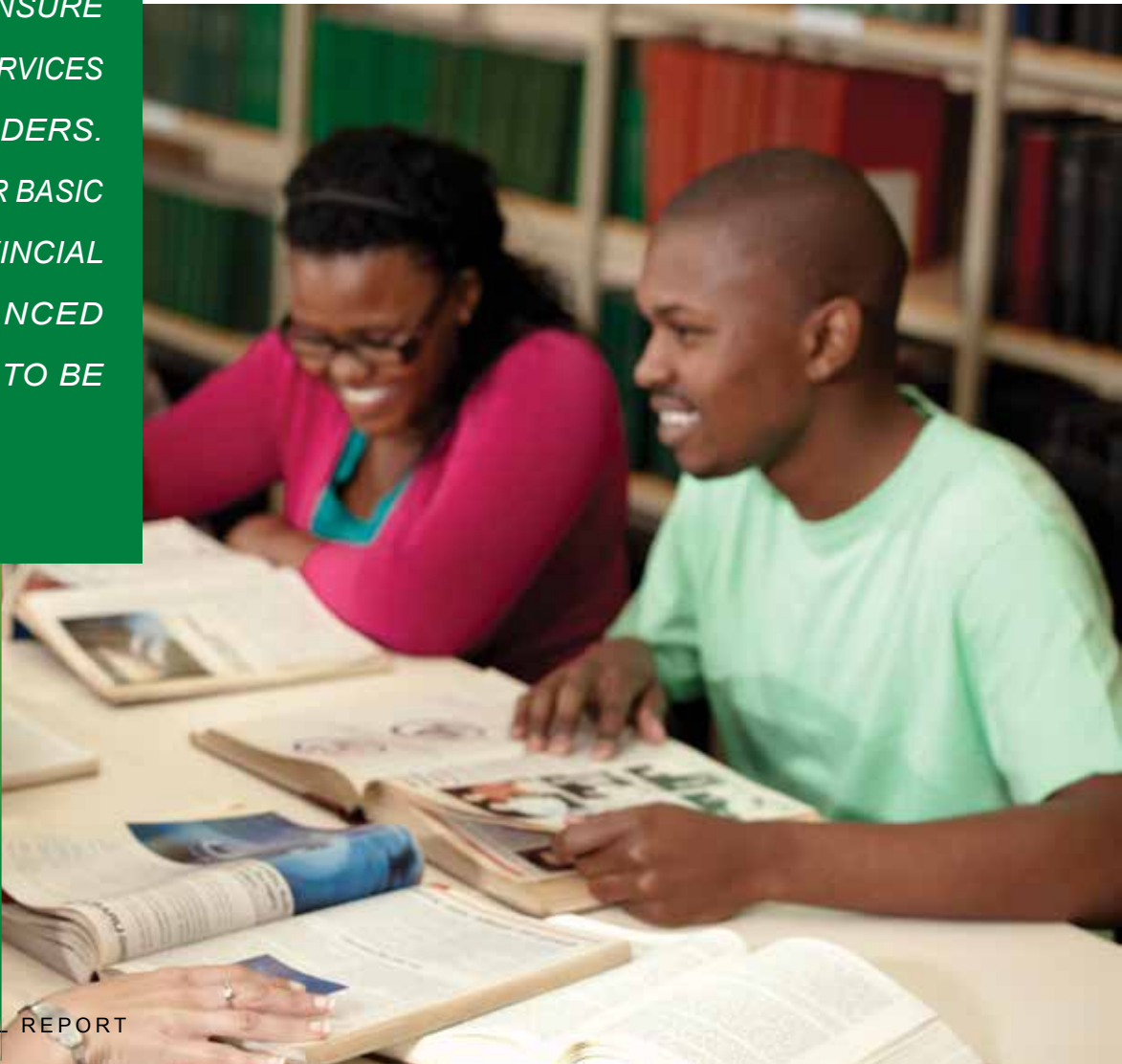
on a yearly basis. This is a cross cutting competency expected upon all executives who would be held accountable.

Conclusion

The HWSETA is in a good financial health, measures to deal with corruption are in place, staff issues are planned for implementation in the coming year, to ensure that the HWSETA invest in its human asset. Capacity is enhanced to ensure delivery of the stretched targets. Having started slow in the attainment of the targets and adhering to the ever-changing needs of the environment, the SETA is positioning itself to be responsive to the needs and demands of the environment in the year 2013/14. The details with regard to achievements and work in progress are covered in the report itself.



THERE ARE MEASURES PUT IN PLACE TO ENSURE IMPROVEMENT OF SERVICES TO THE STAKEHOLDERS. CAPACITY TO RENDER BASIC SERVICES AT PROVINCIAL LEVEL WAS ENHANCED AS IT WAS FOUND TO BE INADEQUATE.





SECTION 3

GOVERNANCE STRUCTURES

THE BOARD'S ROLE IS TO PROVIDE LEADERSHIP, DIRECTION AND STEWARDSHIP OF THE ORGANISATION'S ASSETS AND INTERESTS IN RELATION TO THE PUBLIC FUNDS IT ADMINISTERS TO PROMOTE PUBLIC INTEREST IN SKILLS DEVELOPMENT WITHIN THE HEALTH AND SOCIAL DEVELOPMENT (WELFARE) SECTORS.

BOARD MEMBERS



Nozipho January-Bardill
Independent Chair



Thembi Ngcobo
Ministerial Appointee



Dr Confidence Moloko
Ministerial Appointee



Iveda Smith
**Representing the Levy
Exempt Sector**



Emma Zondo
**Representing Labour
from PSA**



Fazeela Fayers
**Representing Labour
from HOSPERSA**



Hitler Sekhitla
**Representing Labour
from NEHAWU**



Pat Motubatse
**Representing Labour
from NEHAWU**



*Wandile Montjane
Representing Labour
from NPSWU*



*Rudie van Loggerenberg
Representing Employer
from DoSD National*



*Hennie Groenewald
Representing Employer
from DoH National*



*Elsette Strachan
Representing Employer
from Dementia SA*



*Derek Shardlow
Representing Employer
from NPG*



*Kidi Maluleke
Representing Employer
from SASSA*



*Ari Seirlis
Representing People
with Disabilities*

GOVERNANCE STRUCTURES



Nozipho January-Bardill
Chairman of the Board

Governance

HWSETA Board is the accounting authority of HWSETA. HWSETA was established under the auspices of the Skills Development Act (Act 1 of 1998) and is an independent public entity as listed in Section 3(b) of the Public Finance Management Act, Act 1 of 1999. The Board, as the accounting authority, is accountable for ensuring sound governance at all times.

The Board's role is to provide leadership, direction and stewardship of the organisation's assets and interests in relation to the public funds it administers to promote public interest in skills development within the Health and Social Development (welfare) sectors.

Board Members

The Board is constituted of 15 Board members. The Board meets every quarter or as required to enable it to assert its governance responsibility as the accounting authority and as the employer of all HWSETA staff. Dr B E Nzimande, the Minister of Higher Education and Training, appointed the Board members, who were nominated during 2011 by their respective constituencies, for a term of five years, terminating 31 March 2016.

Dr BE Nzimande appointed the independent chairman, Ms Nozipho January-Bardill for five-year tenure from 1 April 2011 to 31 March 2016. The current HWSETA constitution does not cater for a vice-chairman.

The Board is constituted of representatives from the following constituencies and stakeholders in the sector:

- Organised Labour;
- Organised Employers, including small businesses;
- Relevant government departments;
- Levy exempt sector, and
- Any interested professional body or bargaining council with jurisdiction in the sector, which the DHET Minister considers appropriate for the sector.

Board membership is governed by the Authority's constitution, representing:

- 3 independent members, of which one is the Chairman of the Board;
- 5 members representing organised labour;
- 5 members representing organised employers:
 - 1 member representing the National Department of Health
 - 1 member representing the National Department of Social Development
- 1 member representing People with Disabilities
- 1 member representing the Levy Exempt Sector

Executive Committee of the Board

The Board is assisted by its Executive Committee, which is comprised of 5 members from the Board. The members of the Executive Committee were nominated and appointed by the Board in accordance with the HWSETA's Constitution. The Executive Committee meets monthly to assert strategic oversight over the HWSETA's affairs. The term of office for the Executive Committee is the same as that of the Board.

Standing Committees

Sub-committees, referred to as Standing Committees, which provide technical guidance and recommendations in key portfolio areas,

assist the Executive Committee. The Audit, Risk and Governance Committee (Aucom) is a standing committee with direct delegations from and reporting to the Board. It further assists the Authority in its compliance, oversight and fiduciary responsibilities within the prevailing legislative prescriptions. The Aucom functions in line with its Committee Charter and complies with principles of good corporate governance and with the requirements of the Public Finance Management Act. The functions of the Aucom include a review and an update of the risk analysis, by management and independently from internal audit.

Fiduciary responsibility of Board Members

All Board members are aware of their fiduciary responsibilities and the need for fair, transparent and accountable decisions and actions. Board members are both individually and collectively liable for all decisions and actions of omission and commission by the Board during their term of office.

Statutory Meetings

Attendance of Board members at all statutory meetings is recorded in attendance registers. The internal auditors and the Auditor-General South Africa audit these annually. All meetings are formally noted, with an agenda and supporting meeting packs. Meeting protocol is formal, and all minutes and documents are formally tabled, considered, addressed, filed and stored. The documents and attendance registers are audited annually through an internal and external audit by the internal auditor and the Auditor-General South Africa respectively.

Meeting attendance fees for Board Members

Board members are not staff members of HWSETA and they do not receive any salaries or benefits. Board members are employers of HWSETA staff and, as such serve HWSETA in their capacity as the accounting authority with executive oversight, accountability and responsibility. A meeting fee is paid to Board members for their attendance at and contributions to statutory meetings.

A record is kept of all allowances paid to members and such record is audited through internal and external audits conducted by the internal auditor and the Auditor-General South Africa, respectively.

Official members, ie Board members employed by government are not remunerated except where they have taken official leave to attend HWSETA meetings. They are however remunerated for travel and incidental expenses.

Review of and Amendments to the HWSETA's Constitution

The Authority's constitution has been amended in line with NSA requirements and approved by the DHET Ministry.

Executive Management

In line with HWSETA constitution, a fair and transparent process to fill the CEO vacancy was undertaken and three candidates were recommended to the DHET Ministry for appointment. After approval by Cabinet, the DHET Ministry appointed Ms Yvonne Mbane as the Authority's CEO effective 1 September 2012.

Governance Structures for the period 1 April 2012 to 31 March 2013

Board Members

Two Board members resigned from the statutory body and its committees during the year under review. The vacancies have subsequently been filled, two by the DHET Ministry and one elected by the NDoH Constituency, in line with the Authority's amended constitution. All Board members are appointed in accordance with the provisions provided by the Authority's constitution.



THE BOARD'S ROLE IS TO PROVIDE LEADERSHIP, DIRECTION, AND STEWARDSHIP OF THE ORGANISATION'S ASSETS AND INTERESTS IN RELATION TO THE PUBLIC FUNDS IT ADMINISTERS TO PROMOTE PUBLIC INTEREST IN SKILLS DEVELOPMENT WITHIN THE HEALTH AND SOCIAL DEVELOPMENT (WELFARE) SECTORS.

Table 1: Board Members of HWSETA

Board Member	Membership role	Organization	Comments
Ms Nozipho January-Bardill	Chairman of the Board and ExCo	Ministerial Appointee	Appointed as Chairman of the Board 1 April 2011
Ms Thembi Ngcobo	Member of the Board	Ministerial Appointee	Appointed to the Board 1 April 2011
Dr Confidence Moloko	Member of the Board	Ministerial Appointee	Appointed to the Board 18 June 2012
Ms Emma Zondo	Member of the Board	PSA	Appointed to the Board 1 April 2011
Ms Fazeela Fayers	Member of the Board and ExCo	HOSPERSA	Appointed to the Board 1 April 2011
Mr Hitler Sekhitta	Member of the Board and ExCo	NEHAWU	Appointed to the Board 1 April 2011
Mr Pat Motubatse	Member of the Board	NEHAWU	Appointed to the Board 1 April 2011
Mr Wandile Montjane	Member of the Board	NPSWU	Appointed to the Board 1 April 2011
Mr Rudie van Loggerenberg	Member of the Board and ExCo	National DoSD	Appointed to the Board 1 April 2011
Mr Hennie Groenewald	Member of the Board	NDoH	Appointed to the Board 23 April 2013
Ms Elsette Strachan	Member of the Board	Dementia SA	Appointed to the Board 1 April 2011
Mr Derek Shardlow	Member of the Board and ExCo	NPG	Appointed to the Board 1 April 2011
Ms Kidi Maluleke	Member of the Board	SASSA	Appointed to the Board 18 June 2012
Mrs Rehmeth Fakroodeen	Member of the Board and ExCo	National DoH	Appointed to the Board 1 April 2011 Resigned from the Board on 15 November 2012
Ms Iveda Smith	Member of the Board	SACSSP	Appointed to the Board 1 April 2011
Mr Aristides Seirlis	Member of the Board	QASA	Appointed to the Board 1 April 2011

Note to Table 1:

** Refer to listed acronyms and abbreviations on the last page of the Annual Report*

Table 2: Equity status / profile of the HWSETA Board as at 31 March 2013

White		African		Indian		Coloured		Disabled	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
4	1	4	4	0	1	0	1	1	0

Table 3: Attendance of Board and Executive Committee Meetings by HWSETA Board and Executive Members

Board Members			
	Board and Special Board meetings, (7)	AGM, Workshops, conference and training (9)	Exco including Special meetings (15)
Ms Nozipho January-Bardill, Chairman	7	5	13
Ms Thembi Ngcobo	6	6	N/A
Ms Emma Zondo	4	6	N/A
Ms Fazeela Fayers	5	8	13
Mr Hitler Sekhitle	5	7	15
Mr Pat Motubatse	6	5	N/A
Mr Wandile Montjane	5	6	N/A
Mrs Rehmeth Fakroodeen Resigned 15 November 2012	1	3	1
Mr Rudie van Loggerenberg	7	6	12
Ms Elsette Strachan	5	5	N/A
Mr Derek Shardlow	3	5	N/A
Mr Arisides Seirlis	6	5	N/A
Ms Iveda Smith	3	6	N/A
Ms Kidi Maluleke Appointed 18 June 2012	4	7	N/A
Dr Confidence Moloko Appointed 18 June 2012	5	2	N/A

Table 4: STANDING COMMITTEES – Membership and Attendance: Audit, Risk and Governance Committee

Members	Number of Aucom, and related meetings attended (6)
Mr Viren Magan • Chairman	5
Mr Nick Nicholls • Independent member,	5
Mr Zola Fihlani • Independent member	3
Mr Pat Motubatse • Board member	3
Mr Derek Shardlow • Board member	5

Notes to table 4:

Meeting Attendance Remuneration

Meeting attendance fees paid to external Audit Committee members during the period under review:

Chairman:	R1 549.80 per hour for meeting preparation and meeting attendance
Audit Committee members:	R1 239.00 per hour for meeting preparation and meeting attendance
Board members:	R 401.00 per hour per meeting attended

Table 5: Finance Standing Committee

Number of meetings convened = 6	
Board Members	Number of meetings attended
Ms Iveda Smith, Chair • Levy Exempt Sector Finance Standing Committee Chairman	5
Ms Elsette Strachan • Dementia SA	5
Mr Derek Shardlow • NPG Appointed 24 October 2012	2
Ms Fazeela Fayers • HOSPERSA Appointed 24 October 2012	2
Dr Confidence Moloko • Ministerial Appointee Appointed 24 October 2012	2

Table 6: Tender Standing Committee

Number of meetings convened = 5	
Board Members	Number of meetings attended
Mr Pat Motubatse • NEHAWU Tender Standing Committee Chairman	2
Ms Thembu Ngcobo • Ministerial appointee	5
Mr Hitler Sekhitla • NEHAWU	4
Ms Iveda Smith • Levy Exempt Sector	2
Ms Elsette Strachan • Dementia SA Appointed 24 October 2012	1

Table 7: Skills Development Standing Committee

Number of meetings convened = 7	
Board Members	Number of meetings attended
Mr Rudie van Loggerenberg • NDoSD Skills Development Standing Committee Chairman	4
Ms Thembu Ngcobo • Ministerial Appointee	6
Ms Fazeela Fayers • HOSPERSA	3
Mr Hitler Sekhitla • NEHAWU	0
Ms Elsette Strachan • Dementia SA	2
Mr Ari Seirlis • People with Disabilities	3

Table 8: ETQA Standing Committee

Number of meetings convened = 6	
Board Members	Number of meetings attended
Mr Hitler Sekhitla • NEHAWU ETQA Standing Committee Chairman	3
Ms Emma Zondo • PSA	3
Mr Rudie van Loggerenberg • NDoSD	3
Ms Iveda Smith • Levy Exempt Sector	2
Dr Confidence Moloko • Ministerial Appointee Appointed 24 October 2012	1

Table 9: Corporate Services Standing Committee

Number of meetings convened = 5	
Board Members	Number of meetings attended
Mr Wandile Montjane • NPSWU Corporate Services Standing Committee Chairman	3
Ms Elsette Strachan • Dementia SA	3
Mr Derek Shardlow • NPG	2
Mr Aristides Seirlis • QASA	3
Dr Confidence Moloko • Ministerial Appointee Appointed 24 October 2012	0

Table 10: Appeals Committee

Number of meetings convened = 7	
Board Members	Number of meetings attended
Mr Derek Shardlow • NPG Appeals Committee Chairman	1
Ms Nozipho January-Bardill • Ministerial Appointee	1
Mr Wandile Montjane • NPSWU	1
Ms Elsette Strachan • Dementia SA	1



SECTION 4

PERFORMANCE INFORMATION

*LINKAGE TO SERVICE LEVEL AGREEMENT:
MEET THE TARGETS IN THE NATIONAL SKILLS
DEVELOPMENT STRATEGY
ASSESSMENT OF SKILLS REQUIRED FOR EACH
SECTOR AND THE IDENTIFICATION OF SCARCE
SKILLS
HOW THE LEVELS OF EDUCATION AND TRAINING
WILL BE IMPROVED AND ADDRESSED IN THE
SECTOR*

PERFORMANCE INFORMATION 2012-2013

ACHIEVEMENTS AGAINST TARGETS FOR THE PERIOD ENDING 31 MARCH 2013

HEALTH AND WELFARE SECTOR INTERVENTIONS: NATIONAL NEEDS IN RELATION TO SKILLS DEVELOPMENT IS RESEARCHED, DOCUMENTED AND COMMUNICATED TO ENABLE EFFECTIVE PLANNING ACROSS ECONOMIC SECTORS

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
1	Research strategy in place to support a credible institutional mechanism for skills analysis and planning	<p>Implement research strategy and communicate to the sector</p> <p>Review and implement research agenda and focus on partnerships with Universities of the Western Cape and Fort-Hare taking lead on Human Resources for Health and Social Development respectively</p> <p>Develop building blocks for a basic labour market information system that support a credible institutional mechanism for skills analysis and planning</p>	Programme 2: Research Information Monitoring and Evaluation	<p>Research strategy reviewed and presented to SD SC and obtained approval</p> <p>Research agenda addressing partnerships with universities approved</p> <p>2 databases piloted and implemented that seek to collect and collate labour market information Full implementation of the databases planned to start in the second quarter of 2013/14</p>	<p>Process started in the previous financial year and completed in 2012/13</p> <p>Process started in the previous financial year and completed in 2012/13</p>
2	Research resources in place	Staff and management ready and able to conduct research	Programme 2: Research Information Monitoring and Evaluation	2 staff members attended research methods course with the University of Stellenbosch and 1 staff attended Monitoring and Evaluation course with Rhodes University. Appointment of research interns approved. One additional researcher commenced duties in the third quarter.	<p>Training of staff began in the previous financial year</p> <p>Approval of research interns obtained</p> <p>An additional researcher commenced duties in the third quarter</p>
3	Research done to an acceptable academic standard supported by empirical evidence from key sector informants	Acceptable academic standard defined and implemented	Programme 2: Research Information Monitoring and Evaluation	Research standards are defined in the research strategy and policy and communicated to contracted service providers	Part of the research strategy document
4	Sound analysis of health and social development sector confirmed by stakeholders	SSP confirmed acceptable by DHET and SSP information distributed to stakeholders	Programme 2: Research Information Monitoring and Evaluation	Updating the sector skills plan complete and tabled in Parliament as an annexure to the Strategic plan and the Annual Performance Plan	Preparation for the 2013 annual update underway
5	Align training to the New Growth Path and other Government priorities	Sector Skills Plan supports growth and new jobs in the sector by ensuring relevant skills are identified and developed and stepping up the production of new skills	Programme 2: Research Information Monitoring and Evaluation	Updating the sector skills plan is complete and Alignment with the New Growth path and identification of relevant skills achieved	SSP also aligned to other broader Government initiatives such as the National Development Plan and the National Health Insurance Scheme
6	Reports made available to the Health and Social Development sector	Research abstracts available and distributed to sector	Programme 2: Research Information Monitoring and Evaluation	Research reports finalised for the year 2012/13. Research seminar held with training providers of the Community Health Work qualification	More research seminars are planned for the 2013/14 year disseminating research reports including Tracer Study, impact study and SMME report and feasibility study of the Social Auxiliary Work qualification

* Equity targets for blacks include Africans, Coloured and Indians in accordance with DHET reporting template

HEALTH AND WELFARE SECTOR INTERVENTIONS: MIDDLE LEVEL SKILLS NEEDS ARE IDENTIFIED AND ADDRESSED IN HEALTH AND SOCIAL DEVELOPMENT SECTORS

LINKAGE TO SERVICE LEVEL AGREEMENT:

The number of bursaries awarded/ to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET Colleges. Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved. Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, types of training programmes and the programmes that are in place for the current financial year. Placement of students in industry as part of the agreement between the SETA and companies. Rural development programmes and how it will be implemented. Number of Public FET College and University students placed in companies to obtain work experience. Facilitating the exposure and placement of FET College lecturers to industry.

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
7	Middle level skills identified	05 qualifications developed based on the needs and driver within the sector to support the implementation of the National Health Insurance and the professionalisation of social sector function. QCTO delivery systems in place for the development of these qualifications that meet the QCTO requirements.	Programme 5: Education and training quality assurance	Discussions with Professional bodies are underway.	Further discussions with Professional Bodies are required.
8	Formal partnerships established with 20 FET colleges and 4 Universities of Technology	Partnerships developed with 05 FET colleges to offer the NCV levels 2 to 4 and 2 universities for the acceptance of the NCV level 4 qualification as access to higher learning within the health and social development qualifications.	Programme 5: Education and training quality assurance	Partnerships have been established with 12 FET Colleges. 4 Universities have been approached to enter into the MOU with the HWSETA for Learning Programme and QMS evaluation. As at current, we have only signed individual lecturers.	Further negotiations with Universities is required. Engagement with FET Colleges and Universities began in the past financial year.
9	Support strategies in place	Implement mid level skills needs support strategy	Programme 2: Research Information Monitoring and Evaluation	Mid level skills support strategy is implemented by programme 4 and 5. Impact of the implementation is planned for the 2013/14 year	Mid level skills supported and implemented through Eoi by programme 4. Training of midlevel skills is institutionalised through learnerships and Eoi in the HWSETA. The impact of this strategy will be assessed in the 2013/14 year
10	200 Employers participate in work based training	50 Employers participate in work based training and spread nationally	Programme 4: Skills Development programmes and projects implementation	170 Employers participated in work based training: Provincial spread: Eastern Cape:13, FreeState:10, Gauteng:62, KwaZulu-Natal:22, Limpopo:08, Mpumalanga:15, North West:08, Western Cape:30, Northern Cape:02	This has been achieved
11	6000 unemployed learners supported (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	1200 unemployed learners are supported in learning programmes	Programme 4: Skills Development programmes and projects implementation	A total number of 1223 Unemployed people entered learnerships: Equity targets achievements: Black Male: 252, Black female: 833, White male: 19, White female: 119, Persons with disability: 111, Youth: 833, Rural areas:0, Provincial spread: Eastern Cape:151, FreeState:77, Gauteng:275, KwaZulu-Natal:115, Limpopo:65, Mpumalanga:28, North West:148, Western Cape:352, Northern Cape:12	This has been achieved. Equity imperatives against targets were achieved as follows: Black - 89%, Female - 78%, Persons with Disability - 9%, Youth - 68%, Rural - Information is being collated

Target number	HWSETA 2011-2016 Success indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
12	600 unemployed learners supported through bursaries (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	150 unemployed learners supported through bursaries at Universities of Technology and Universities	Programme 4: Skills Development programmes and projects implementation	A total number of 216 unemployed people entered/supported through bursaries: Equity targets achievements: Black Male: 87 Black female: 127 White male:01 White female: 01 Persons with disability:0 Youth: 186 Rural areas:0 Provincial spread: Eastern Cape:41 FreeState:19 Gauteng:0 KwaZulu-Natal:114 Limpopo:19 Mpumalanga:0 North West: 13 Western Cape: 10 Northern Cape: 0	162 learners were approved for funding. 102 have been registered and 60 will be enrolled in June 2013. Equity imperatives against targets were achieved as follows: Black - 99% Female - 59% Persons with Disability - 0% Youth - 86% Rural - Information is being collated
13	500 work ready unemployed graduates of middle level qualifications supported to gain work experience (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	125 work ready unemployed graduates of middle level qualifications supported to gain work experience	Programme 4: Skills Development programmes and projects implementation	A total number of 05 work ready unemployed graduates of middle level qualifications supported to gain work experience: Equity targets achievements: Black Male: 01 Black female: 03 White male: 0 White female: 01 Persons with disability: 0 Youth: 05 Rural areas:0	300 Unemployed Social Workers have been approved to be placed in workplace experience. MOA and registration of learner to take place by end of June Equity imperatives against targets were achieved as follows: Black - 80% Female - 60% Persons with Disability - 0% Youth - 100% Rural - Information is being collated
14	1115 Unemployed learners have access to skills programmes (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	225 unemployed learners enter into skills programmes	Programme 4: Skills Development programmes and projects implementation	A total number of 41 unemployed learners enter into skills programmes: Equity targets achievements: Black Male: 04 Black female: 32 White male: 0 White female: 05 Persons with disability: 41 Youth: 32 Rural areas:0 Provincial spread: Eastern Cape:05 FreeState:08 Gauteng:08 KwaZulu-Natal:01 Limpopo:03 Mpumalanga:03 North West:03 Western Cape:09 Northern Cape:01	The target could not be achieved due to the status of accreditation of the training providers against the Unit standards bundled in the Skills Programmes. A new set of Skills Programmes will be drawn in collaboration with the ETQA division in order to ensure that there are sufficient Training providers to implement the Skills Programmes. Equity imperatives against targets were achieved as follows: Black - 87% Female - 78% Persons with Disability - 0% Youth - 78% Rural - Information is being collated

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
14			<p>Programme 4: Skills Development programmes and projects implementation</p>	<p>UNEMPLOYED LEARNERS COMPLETED TRAINING A total number of 939 unemployed learners completed learnerships Equity targets achievements: Black Male:126 Black female:797 White male: 01 White female: 15 Persons with disability:27 Youth: 489 Provincial spread for unemployed learners who completed learnerships: Eastern Cape: 20 FreeState:51 Gauteng:167 KwaZulu-Natal:65 Limpopo:493 Mpumalanga: 46 North West:39 Western Cape: 46 Northern Cape: 12</p>	
				<p>A number of 658 unemployed learners completed skills programmes Equity targets achievements: Black Male: 32 Black female: 626 White male: 0 White female:0 Persons with disability:0 Youth: 224 Provincial spread for unemployed learners who completed Skills programmes: Eastern Cape: 0 FreeState:0 Gauteng:92 KwaZulu-Natal:149 Limpopo:419 Mpumalanga: 0 North West:0 Western Cape: 0 Northern Cape: 0</p>	<p>The backlog seems to be easing as the trouble shooting exercise is bearing fruits compared to the previous quarters</p>
				<p>A total of 120 Unemployed learners completed training funded through bursaries. Equity target achievements: Black Female:60 Black male:60 White male:0 White female:0 Persons with Disability:0 Youth:120 Non SA Citizens:0 Provincial spread for unemployed learners who completed Bursaries: Eastern Cape: 120 FreeState:0 Gauteng:0 KwaZulu-Natal:0 Limpopo:0 Mpumalanga: 0 North West:0 Western Cape: 0 Northern Cape: 0</p>	

HEALTH AND WELFARE SECTOR INTERVENTIONS: ARTISANS QUALIFY WITH RELEVANT SKILLS AND FIND EMPLOYMENT-SKILLS ACCORD THAT 30 000 NEW ARTISANS WILL ENTER TRAINING

LINKAGE TO SERVICE LEVEL AGREEMENT:

Partnerships between SETAs and Public FET Colleges
 Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, types of training programmes and the programmes that are in place for the current financial year
 A comprehensive plan on making the public service a training space should be developed with targets per annum to change the lives of the youth
 Rural development programmes and how it will be implemented

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
15	300 unemployed persons taken on as apprentices to become artisans for the health and social development sector (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	150 unemployed persons taken on as apprentice	Programme 4: Skills Development programmes and projects implementation	Approval was obtained for 100 artisans in 3 provinces and the intake of learners will take place in 2013/14	This project will be implemented through a partnership with SACC who will project manage and build capacity in the HWSETA. This project will be funded to the tune of R16.8 mil over a two year period
16	200 unemployed persons taken on as apprentices for the health and social development sector (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	100 employed persons taken as apprentices	Programme 4: Skills Development programmes and projects implementation	NAIMB has agreed to build capacity within the HWSETA to accredit workplaces in the sector for the implementation of apprenticeships. Employed workers will be registered once employers have been accredited as training sites	
n/a	80% qualify and are work ready	No target for completions in 2012/13 as an apprenticeship will last at least 3 years from the date of commencement	Programme 4: Skills Development programmes and projects implementation		

HEALTH AND WELFARE SECTOR INTERVENTIONS: HIGH LEVEL NATIONAL SCARCE SKILLS ADDRESSED BY WORK READY GRADUATES FROM HIGHER EDUCATION INSTITUTIONS

LINKAGE TO SERVICE LEVEL AGREEMENT:

Placement of students in industry as part of the agreement between the SETA and companies
 A comprehensive plan on making the public service a training space should be developed with targets per annum to change the lives of the youth
 Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved
 Number of Public FET College and University students placed in companies to obtain work experience

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
17	Supply challenges in relation to high level scarce skills gaps identified	Supply challenges in relation to high level scarce skills gaps identified and reported on.	Programme 2: Research Information Monitoring and Evaluation	Draft report complete and is undergoing review	Final report to be made available after consultation and review
18	Sector skills plan set out strategies for addressing high level scarce skills needs gaps	Sector Skills Plan set out strategies for addressing high level scarce skills gaps in relation to supply challenges identified through research	Programme 2: Research Information Monitoring and Evaluation	High level scarce skills in the sector have been identified and incorporated into the sector skills plan	This is an annual function which is updated once WSPs have been submitted
19	Appropriate interventions in place	Intervention: Work Experience Grant support mechanism approved	Programme 4: Skills Development programmes and projects implementation	A proposal to fund 300 unemployed learners has been approved by Board.	

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
20	500 students in work experience and experiential learning programmes.(85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	MoAs to place 200 students with employers signed	Programme 4: Skills Development programmes and projects implementation	The Board approved placement of 300 unemployed Social Work graduates with the DSD in Limpopo	MOA to be signed and Learners will be registered in the first quarter of 2013/14.
21	160 postgraduates have access to work opportunities (85% black, 60% female, 5% people with disability, 70% youth and 20% from rural areas)	Support 64 post graduates with work experience grant	Programme 4: Skills Development programmes and projects implementation	05 learners were entered into the programme. Employers who were approved to implement the project could not provide Learner information after approval.	Further research needs to be conducted to establish the learning areas within the Health and Social Development Sector for which learners have obtained Post graduate qualifications but are currently unemployed.

* Equity targets for blacks include Africans, Coloured and Indians in accordance with DHET reporting template

HEALTH AND WELFARE SECTOR INTERVENTIONS: TRAINING OF EMPLOYED WORKERS ADDRESSES CRITICAL SKILLS, ENABLING IMPROVED PRODUCTIVITY, ECONOMIC GROWTH AND THE ABILITY OF THE WORKFORCE TO ADAPT TO CHANGE IN THE LABOUR MARKET

LINKAGE TO SERVICE LEVEL AGREEMENT:

Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved
 Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, types of training programmes and the programmes that are in place for the current financial year
 How the levels of education and training will be improved and addressed in the sector

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
22	Provision of substantial quality programmes for 6000 employed workers (85% black, 60% women, 5% people with disabilities, 60% youth)	1200 employed workers participate in substantial quality learning programmes.	Programme 4: Skills Development programmes and projects implementation	A total number of 2654 workers entered Learnerships. Equity targets achievements: Black Male: 384 Black female: 1792 White male: 49 White female: 429 Persons with disability: 56 Youth: 1748 Non-SA Citizens: 0	Good progress made Equity imperatives against targets were achieved as follows: Black - 82% Female - 84% Persons with Disability - 2% Youth - 66% Rural - Information is being collated
23	1125 employed learners have access to skills programmes (85% black, 60% women, 5% people with disabilities, 60% youth)	Recruit 225 employed learners into skills programmes	Programme 4: Skills Development programmes and projects implementation	No workers entered into skills programmes Equity targets achievements: Black Male: Black female: White male: White female: Persons with disability: Youth: Non-SA Citizens	The target could not be achieved due to the status of accreditation of the training providers against the Unit standards bundled in the Skills Programmes. A new set of Skills Programmes will be drawn in collaboration with the ETQA division in order to ensure that there are sufficient Training providers to implement the Skills Programmes.
24	05 Health and Social Development sector projects in place extending to all provinces (85% black, 60% women, 5% people with disabilities, 70% youth, 80% rural areas)	01 project extending over all provinces in place	Programme 4: Skills Development programmes and projects implementation	Conditional Approval letters were sent to all qualifying organisations (25) for a total of 145 persons with a disability to be placed in Workplace Experience. 73 persons with a disability have been registered on the programme.	15 Employers are due to submit outstanding documentation by end of May 2013.
25	05 Cross sectoral health and social development projects are established	01 Cross sectoral health and social development project is established reaching all provinces	Programme 4: Skills Development programmes and projects implementation	The levy exempt grant was implemented were Health and Social Development Levy exempt organisations were approved to train employees in learning areas outside the Social and Health Sector. 120 organisations were approved.	

Target number	HWSETA 2011 -2016 Success indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
25				<p>Provincial spread of workers on learning programmes:</p> <p>Eastern Cape:317 Freestate:197 Gauteng:976 KwaZulu-Natal:511 Limpopo:91 Mpumalanga:81 North West: 133 Western Cape: 220 Northern Cape: 128</p> <p>WORKERS WHO COMPLETED TRAINING</p> <p>A total of 729 workers completed learnerships. Equity targets achievements: Black Male:70 Black female: 608 White male: 06 White female:45 Persons with disability:17 Youth: 313 Non-SA Citizens:0</p> <p>A total of 0 workers completed bursaries Equity targets achievements: Black Male: 0 Black female: 0 White male: 0 White female:0 Persons with disability:0 Youth: 0 Non-SA Citizens:0</p> <p>A total of 520 workers completed Skills Programmes: Equity targets achievements: Black Male: 130 Black female: 380 White male: 03 White female:07 Persons with disability:0 Youth: 173 Non-SA Citizens:0</p> <p>A total of 1254 workers completed learnership and skills programmes: Provincial spread for workers who completed learning programmes: Eastern Cape:116 Freestate:144 Gauteng:317 KwaZulu-Natal: 116 Limpopo:231 Mpumalanga:58 North West:130 Western Cape:129 Northern Cape:13</p>	
26	Research into the impact of training is conducted	Research report on the impact of training available	Programme 2: Research Information Monitoring and Evaluation	Data of all learners who completed training collected and draft report submitted for review	This is a research project involving tracking and tracing HWSETA graduates over the life of the HWSETA. Research report to be disseminated once review and consultation phase has passed

HEALTH AND WELFARE SECTOR INTERVENTIONS: PARTNERSHIPS BETWEEN DHET, SETAs, EMPLOYERS, PRIVATE PROVIDERS AND PUBLIC FET COLLEGES ARE RESULTING IN INCREASED CAPACITY TO MEET INDUSTRY NEEDS THROUGHOUT THE COUNTRY

LINKAGE TO SERVICE LEVEL AGREEMENT:

Placement of students in industry as part of the agreement between the SETA and companies
 Number of Public FET College and University students placed in companies to obtain work experience
 Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, types of training programmes
 and the programmes that are in place for the current financial year
 The number of bursaries awarded/ to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET Colleges
 Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved
 Partnerships between SETAs and Public FET Colleges

Target number	HWSETA 2011 -2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
27	25 FET colleges enter into partnerships with HWSETA.	10 FET colleges identified and entered into partnerships with	Programme 5: Education and training quality assurance	MoU developed and being approved. 24 FET Colleges have been identified and will signing the MoU. These have been finalised and ready for signing	MoUs will be forwarded to FET colleges for signing in the fourth quarter
28	25 Partnerships to offer vocational courses in place	10 MoUs signed with FET colleges in all 9 provinces	Programme 5: Education and training quality assurance	MoU developed and being approved. 12 FET Colleges have been identified and will sign the MoU.	MoUs needs to be finalised and signed. Colleges have agreed to sign the MoU This process began in the past financial year
29	500 work experience grants for FET college learners available	125 Public FET college learners supported (107 black, 75 women, 7 people with disabilities, 88 youth, 25 from rural areas)	Programme 4: Skills Development programmes and projects implementation	We are planning to meet with the Graduates Development Association to look at how these learners can be supported by placement with employers.	
30		Workplace experiences of public FET college learners captured and analysed	Programme 2: Research Information Monitoring and Evaluation	Project plan approved and data collection tools developed, however implementation is dependant on implementation of target 29.	Project to commence in the 2013/14 year as ETQA implemented the FET project in the fourth quarter
31	700 ECD learners supported on ECD level 5 qualification and 250 ECD learners supported on ECD level 4 qualification	450 ECD learners supported on the ECD level 5 qualification	Programme 4: Skills Development programmes and projects implementation	Expression of interest for ECD level 4 was advertised in February. 4 organisations qualified for the funding. Negotiations are taking place between the HWSETA and the 4 FET colleges to train learners specifically from Rural areas (Lusikisiki, Mnyiseni and OR Tambo). For ECD level 5, 9 organisations received conditional approval letters and 110 Learners have been registered on the programme.	Challenges were encountered in the ECD level 5 implementation as many of the learners to be progressed could not be found.
32	500 emerging entrepreneurs supported on the New Venture Creation programme	125 emerging entrepreneurs supported on the New Venture Creation programme (107 black, 75 women, 7 people with disabilities, 88 youth, 25 from rural areas)	Programme 4: Skills Development programmes and projects implementation	An Expression of Interest and Project Plan was tabled to Skills Development Committee on the 16 October 2012. For approval more information is needed.	The EOJ was not recommended for approval by the SDSC.

HEALTH AND WELFARE SECTOR INTERVENTIONS: COOPERATIVES SUPPORTED WITH SKILLS TRAINING AND DEVELOPMENT EXPANDS AND CONTRIBUTES TO HEALTH AND SOCIAL DEVELOPMENT SECTOR ECONOMIC EMPLOYMENT GROWTH

LINKAGE TO SERVICE LEVEL AGREEMENT:

Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved
Meet the targets in the National Skills Development Strategy

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
33	50 cooperatives supported with skills training through 5 projects nationally	01 project supporting 10 cooperatives established	Programme 4: Skills Development programmes and projects implementation	We have analysed the Cooperatives database as listed with Department of Trade and Industry. Conditional approval letters have been sent to total of 147 cooperatives. 80 from the Social Sector and 67 from the Health Sector.	The Cooperatives will submit the WSP prior to any payments made.
34	Establishment of 10 cooperatives is supported	Establishment of 02 cooperatives is supported	Programme 4: Skills Development programmes and projects implementation	The first phase concentrated on supporting existing cooperatives and the next phase is to support the establishment of new cooperatives in the sector	
n/a	01 cooperatives project supported by NSF in multi sites	No target for this year	Programme 4: Skills Development programmes and projects implementation		

HEALTH AND WELFARE SECTOR INTERVENTIONS: WORKERS, NGO AND COMMUNITY BASED EDUCATION PROGRAMMES ARE SUPPORTED AND THEIR IMPACT MEASURED AND REPORTED ON

LINKAGE TO SERVICE LEVEL AGREEMENT:

Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved
Meet the targets in the National Skills Development Strategy

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
35	Establish 01 quality project - training of 250 labour representatives over the NSDS period (85% black and 60% women	Training of 125 SDFs and/or labour representatives	Programme 4: Skills Development programmes and projects implementation	Board has approved training of 300 labour representatives in the SDF course. Due to the magnitude of the project and need for the standardisation of the training, we are currently embarking on the tender process. The tender specification committee will convene in June 2013.	Training Provider will be appointed through the tender process.
36	HWSETA establish 01 quality project for 100 levy exempt organisations	100 levy exempt organisations supported nationally	Programme 4: Skills Development programmes and projects implementation	120 Levy Exempt organisations were approved. Conditional approvals have been communicated and as a result 61 MOAs have been received and concluded.	More employers are submitting the Memorandum of Agreements.
n/a	Stakeholders expand successful projects with support from the NSF	None to be expanded this year	Programme 4: Skills Development programmes and projects implementation		

HEALTH AND WELFARE SECTOR INTERVENTIONS: CAREER PATHS ARE MAPPED TO QUALIFICATIONS IN ALL SECTORS AND SUBSECTORS AND COMMUNICATED EFFECTIVELY, CONTRIBUTING TO IMPROVED RELEVANCE OF TRAINING AND GREATER MOBILITY AND PROGRESSION

LINKAGE TO SERVICE LEVEL AGREEMENT:
Meet the targets in the National Skills Development Strategy

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
37	Career guides developed with labour market information from the Health sector	Career guides developed with labour market information from the Health and Social Development sector and link to Output 4.2.1.1 - Implement the Career guidance framework	Programme 2: Research Information Monitoring and Evaluation	New career information on the sector collected and reviewed to form part of the new version of the career guide. Career guidance booklet is being developed by the Marketing and Communication department with new information on scarce occupations	Analysis of new information has begun and will be made available to the Marketing and Communications department in the first quarter of 2013/14
38	Career guides developed with labour market information from the Social Development sector	Reach 10 000 learners in presidential/ poverty nodal zone schools in partnership with relevant NGOs in these areas		Schools in presidential/ poverty nodal zones have been identified and costing of career material including study guides completed	
39		Pilot one project to reach post school youth and provide them with credible career guidance		Scoping for the pilot project has begun and partnerships considered with UNISA career guidance centre and SAQA	Schools in the PNZ have been identified and submission prepared for approval. The submission was put forward to the fourth quarter as it was late for schools in the third quarter
40	Health and Social Development stakeholders engaged and career development programmes adjusted	Develop comprehensive career development strategy support material	Programme 2: Research Information Monitoring and Evaluation	New career information has been collected. Analysis of new information has begun and will be made available to the Marketing and Communications department in the first quarter of 2013/14	
41	Comprehensive career development (which include aptitude assessment) promoted to 45000 school learners)	Promote to 1000 learners per province	Programme 2: Research Information Monitoring and Evaluation	63 career exhibitions supported in all provinces. Data on attendance is being collated	First 3 quarters saw a proliferation of career and job exhibitions and fairs supported either by the DHET or by the DoL many of which were ministerial road shows. HWSETA participated in all

HEALTH AND WELFARE SECTOR INTERVENTIONS: PARTNERSHIP PROJECTS TO PROVIDE TRAINING AND DEVELOPMENT SUPPORT TO SMALL BUSINESSES ARE ESTABLISHED IN HEALTH AND SOCIAL DEVELOPMENT SECTORS AND THEIR IMPACT REPORTED ON

LINKAGE TO SERVICE LEVEL AGREEMENT:
Assessment of skills required for each sector and the identification of scarce skills
Meet the targets in the National Skills Development Strategy
Partnerships between SETAs and Public FET Colleges

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
42	HWSETA identify the skills needs of 45 small and emerging businesses in the health and social development sector	HWSETA identify the skills needs of small and emerging businesses in the health and social development sector	Programme 2: Research Information Monitoring and Evaluation	A survey of small firms listed on the Med pages database conducted in partnership with Med pages. Preliminary findings completed and ready for review	Final report planned for dissemination in the second quarter of 2013/14
43	250 small businesses are supported in both health and social development sector	50 small businesses are supported in both health and social development sector	Programme 4: Skills Development programmes and projects implementation	A funding proposal and project plan was submitted to the SDCS in December and approved by Board in January 2013. 250 organisations were awarded the funding and 50 MOA's have been received thus far.	First payments will be made in May.
n/a	All projects piloted by HWSETA expanded through partnership funding	None to be expanded this year	Programme 4: Skills Development programmes and projects implementation		

HEALTH AND WELFARE SECTOR INTERVENTIONS: HEALTH AND WELFARE SECTOR RELEVANT RESEARCH AND DEVELOPMENT AND INNOVATION CAPACITY IS DEVELOPED AND INNOVATION RESEARCH PROJECTS ESTABLISHED

LINKAGE TO SERVICE LEVEL AGREEMENT:

Meet the targets in the National Skills Development Strategy
 Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, and the programmes that are in place for the current financial year

Target number	HWSETA 2011 -2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
44	Health and welfare sector skills plan updated to identify focus areas for research, innovation and development	Health and welfare sector skills plan updated to identify focus areas for research, innovation and development	Programme 2: Research Information Monitoring and Evaluation	Research on the SSP annual update is concluded and research innovation areas identified	
45	04 agreements are in place with universities and university faculties	01 agreement in place	Programme 2: Research Information Monitoring and Evaluation	Partnership with Wits University presented to SD SC. More information is being sourced from the University to enable approval to take place. Partnership with the University of KwaZulu-Natal is at advanced stage	The Wits project was presented to the HWSETA conference in 2011 and funding proposal presented to the SD SC. Wits needs to provide more information and restructure the proposal. HWSETA are awaiting response from the University of KwaZulu-Natal on the proposed MOU. A number of partnerships with Universities will increase as applications for research bursaries are concluded
46	04 flagship research projects linked to the agreements	01 flagship research project initiated	Programme 2: Research Information Monitoring and Evaluation	Research themes and research strategy presented to SD SC for recommendation. Alignment with the latest DHET and HSRC research project is completed. Research themes and research agenda approved by Board	Linked to the previous target
47	250 researchers supported (85% black, 60% women, 5% people with disabilities, 70% youth, 60% from historically disadvantaged tertiary institutions)	50 researchers supported	Programme 4: Skills Development programmes and projects implementation	A project to support 65 emerging researchers was approved by Board. This support is linked to the research agenda and strategy of the HWSETA	A call for emerging researchers to apply for bursaries has been advertised and applications are being processed

HEALTH AND WELFARE SECTOR INTERVENTIONS: THE NATIONAL CERTIFICATE (VOCATIONAL) AND N-COURSES ARE RECOGNISED BY HEALTH AND WELFARE EMPLOYERS AS IMPORTANT BASE QUALIFICATIONS THROUGH WHICH YOUNG PEOPLE ARE OBTAINING ADDITIONAL VOCATIONAL SKILLS AND WORK EXPERIENCE ENTERING THE LABOUR MARKET WITH MARKETABLE SKILLS AND OBTAINING EMPLOYMENT

LINKAGE TO SERVICE LEVEL AGREEMENT:

How the levels of education and training will be improved and addressed in the sector
 Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained,
 Types of training programmes and the programmes that are in place for the current financial year
 Partnerships between SETAs and Public FET Colleges
 Facilitating the exposure and placement of FET College lecturers to industry

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
48	NCV Health reviewed in 2015	Continue with development of the National Certificate Vocation: Health and implementation of the Capacity Building agreed upon for the 10 FET Colleges selected.	Programme 5: Education and training quality assurance	The curriculum has been developed and finalised. Books have been written and delivered to Colleges for the student intake.	
49	Inputs from stakeholders are included in the NCV (H) curriculum	Inputs from stakeholders are included in the NCV (H) curriculum	Programme 5: Education and training quality assurance	The Department of Health as the recipient of learners is part of the committee and they provide constant feedback to the committee on the programme and outcomes of the programme.	On going until finalisation of the project in 2016
50	Foundational basis (report) for building labour market relevant skills developed	NCV(H) evaluated to meet industry needs	Programme 2: Research Information Monitoring and Evaluation	Project to start once development of the qualification is complete	Evaluation to be conducted once the project has been implemented
51	A NCV (Social Development) is developed	Start NCV(SD) curriculum development	Programme 5: Education and training quality assurance	Discussions took place with DHET where it was disclosed that the number of programmes to be developed has been finalised. No further programmes can be provided	Review all programmes already developed and evaluate if they can be aligned to the DSD requirements
52	Support to 4000 learners in pre-apprenticeship training and N-courses (85% black, 50% women, 5% people with disabilities, 70% youth and 20% from rural areas)	1000 learners supported in pre-apprenticeship training and N-courses	Programme 4: Skills Development programmes and projects implementation	The funding proposal was approved by Board in October. The EoI has been advertised in January 2013.9 FET colleges have been approved to fund a total of 889 learners. Due to the intake processes of the FET colleges not all learners were able to commence in March 2013. 270 learners have been registered. The FET colleges have 4 intakes date in a year.	

HEALTH AND WELFARE SECTOR INTERVENTIONS: EDUCATION AND TRAINING PLANS FOR THE PUBLIC SECTOR (HEALTH AND SOCIAL DEVELOPMENT) ARE REVISED AND PROGRAMMES IMPLEMENTED TO BUILD CAPACITY

LINKAGE TO SERVICE LEVEL AGREEMENT:

Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved
 A comprehensive plan on making the public sector a training space should be developed with targets per annum to change the lives of the youth

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
53	Health and Welfare sector skills plans reflect capacity and skills development needs of the public sector	Workshop hosted to engage with the departments of health and social development on their skills development needs and priorities	Programme 2: Research Information Monitoring and Evaluation	Two workshops with Department of Social Development held	Combined DSD and DoH workshops planned for 2013/14
54	HWSETA analysis conducted to identify the needs and gaps with special focus on the introduction of the NHI	HWSETA analysis conducted to identify the needs and gaps with special focus on the introduction of the NHI in piloted districts	Programme 2: Research Information Monitoring and Evaluation	After scanning the environment it was noted that the Department of Health has conducted a project of this nature and the HWSETA will seek partnerships in addressing some of the areas identified	
55	Plans published and advocacy done	Plans published and advocacy done	Programme 2: Research Information Monitoring and Evaluation	A joint plan with DSD has been agreed and being implemented	The plan is monitored bi monthly by the Executive Manager:SDP and provides feedback to the SD SC quarterly
56	Plans are agreed upon, funding arrangements agreed upon and implementation reported on	Plans are agreed upon, funding arrangements agreed upon and implementation reported on with the National Departments of Health and Social Development: nationally	Programme 4: Skills Development programmes and projects implementation	Discussions opened leading to funding opportunities for the Western Cape DSD and the Eastern Cape DSD. Funding for the Nelson Mandela University emanated from these discussions and populations studies bursaries	

HEALTH AND WELFARE SECTOR INTERVENTIONS: Marketing and communication

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
57	Attend selected workshops and promote HWSETA activities	Exhibitions in all provinces. Promotional material done. Supply provincial offices with promotional material	Programme 1: Administration	A total of 73 events took place, of which 63 were exhibitions and 10 were events. These were held across all provinces of which 19 were in rural areas. Promotional materials were delivered to provinces directly from printers	Target: 9 exhibitions Achieved: 63 exhibitions Many factors contributed to the over-achievement. <ul style="list-style-type: none"> • Support by provincial staff • Effective usage of resources • Additional staff within the sub-division (marketing administrator)
58	Promoting the HWSETA in the sector and nationally	Promotional material distributed at selected events for maximum exposure. Promotional items for 5 commemoration days	Programme 1: Administration	Promotional material distributed at all 63 exhibition events and at commemorative and special days including international Nurses day, Youth day, Nelson Mandela day, World Disability day, Casual day, Human Rights day Women's day, International Alzheimer day and 16 days of activism against abuse of women and children.	Promotional material distributed at all 63 career exhibition events. Target: Distribute promotional material at 5 national commemorative events. Achieved: Distributed promotional material at 10 national commemorative events This over-achievement is due to: <ul style="list-style-type: none"> • Support by provincial staff • Effective usage of resources • Additional staff within the sub-division (marketing administrator)
59	Arrange the Annual General Meeting	An AGM to be organised to take place after the tabling of the Annual Report in Parliament - October each year.	Programme 1: Administration	Annual General Meeting took place on 25 October 2012 in the Northern Cape. A total of over 150 delegates attended the meeting	Actual achievement: 100% A total of over 150 delegates attended the meeting which took place in Galeshewe, Kimberley, Northern Cape.
60	Co-ordination, consolidation, editing, finalisation and printing of 2000 copies of the annual report	The Annual Report is co-ordinated and ready for printing in early August, with delivery to Parliament by 20 August (unless another date is set by the DHET). Distribution of the annual report is achieved nationally.	Programme 1: Administration	A total of 1500 copies of the annual report were printed of which 1435 were delivered to the HWSETA and 65 directly to Parliament as per DHE 1 directive. An additional 500 copies were digital. The annual report was tabled by the Minister of Higher Education and Training in Parliament on 26 September 2012.	Actual achievement: 100%

HEALTH AND WELFARE SECTOR INTERVENTIONS: Capacity building of the HWSETA

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
61	HWSETA staff performance. Evaluated annually. Key staff retained and identify development of all staff annually in a developmental plan	All staff evaluated twice a year, with final evaluation in March. All staff have a PDP in place and go on training in identified areas. Key staff identified, and rewarded to ensure retention. One flagship training intervention identified for all staff.	Programme 1: Administration	Mid year assessments were conducted and final assessments for the year 2013/14 are due in May 2013. During final assessments PDPs would also be submitted for the 2013/2014 financial year. Training programmes are being implemented as identified within the approved WSP but also training outside the WSP	
62	Approved ideal Organogram in place to ensure optimum capacity for the operations of the HWSETA. Key vacancies filled within 3 months, other vacancies filled when budget is available.	Ideal organogram developed after research done on optimum capacity. Approved by the Board. All key and critical positions filled to ensure that the HWSETA is operating effectively.	Programme 1: Administration	The OD exercise and job evaluation and profiling finalised. 2011 approved organogram reviewed and amendments approved by Board for implementation.	
63	PWD interns project. Implemented and maintained.	8 interns to commence with internship. Development plans in place for all three, and evaluation and job opportunities identified at end of internship.	Programme 1: Administration	4 interns commenced with their internship within the Gauteng office (was extended by another 6 months), one intern commenced with his internship Cape Town office, one intern commenced internship in Polokwane office. CVs for the new internship tenure have been obtained and interviews planned for first quarter of 2013/14 year	
64	Respond to and address staff needs in terms of EAWP within the HWSETA	EAWP induction to take place/ Communication/awareness of the programme to all staff. Provident F und Committee established and effective with at least two meetings per annum	Programme 1: Administration	EAP induction took place with various one on one session with employees. Monthly communication forwarded to staff. Provident fund committee was established and two meetings held during the year	
65	HWSETA Staff Team- building planned and executed successfully with specific objectives	1X corporate team building session to take place with set Objectives and evaluation of achievement of objectives. 1X divisional strategic session 1X year end function	Programme 1: Administration	Divisional strategic sessions held Year end function for staff held. Corporate teambuilding session to be held once the OD exercise is completed and the approved amendments to the organogram are finalised	
66	Implement effective OHS strategies in the workplace	4x OHS Committee meeting to take place. Reports distributed to all. Minimum of 6x inspections to take place, with corrective action on deficiencies identified during the inspections.	Programme 1: Administration	Regular OHS meetings take place. Regular inspections take place whereby recommendations are forwarded to management	
67	Implement effective EE strategies in the workplace	Submission of EE plans bi-annually. Monthly internal EE report distributed	Programme 1: Administration	Last EE report to DoL was submitted in 2011 and next report due in 2013/14 year. Monthly reports submitted to management	
68	Implement effective IT strategies in the workplace	IT strategic plans in place an approved. A detailed budget and plan for IT for next 5 years established.	Programme 1: Administration	IT strategic plan and budget is currently being reviewed by the IT manager. New modifications and enhancements are being made to incorporate the next 5 years plan	
69	Develop Board skills needs	Induction of Board members and training needs analysis as per evaluation of the needs of each Board member. Training conducted according to the needs identified.	Programme 1: Administration	Board members inducted and all Board members attended a two day training session	
70	Assess Board performance and report	Board and sub-committee Evaluation performed annually, with an analysis of any developmental needs.	Programme 1: Administration	Evaluation of Board and sub-committees complete and first draft of the report available. Audit committee assessment complete and report ready for dissemination	
71	To have provincial presence in at least 5 provinces, this includes presence in FET colleges that offer HWSETA programmes	Provincial Strategy to be developed for the 5 year period	Programme 1: Administration	Development of the provincial strategy finalised. Report on processes that need to be automated and those to be devolve to provinces finalised and approved by Board	

HEALTH AND WELFARE SECTOR INTERVENTIONS: Financial services

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
72	Recommend changes to systems and formats to improve financial reporting	Implementation of effective Controls and automation of financial reporting. Improvements in reporting achieved in accordance with the needs of the Board, Executive Authority, National Treasury or stakeholders	Programme 1: Administration	A number of enhancements have been made to reporting as well as implementation of controls. Further enhancements have been made that will be available in the 4th quarter	Achieved.
73	Effectively deal with issues listed in the Auditor-General Management letter and Audit Report	Draw up detailed plan to resolve issues, report progress on this plan quarterly	Programme 1: Administration	Plan drawn up and updated monthly and reported to various committees and Board. Quarterly reporting to AG and DHET	Achieved.
74	Prepare annual financial statement and submit to AGSA as per deadlines stipulated and in accordance with the PFMA and Treasury Regulations and any instruction of the National Treasury or Executive Authority	Prepare annual financial statements by early May each year, submit to sub-committees and Board for approval, with the final submission to the Auditor-General by 31 May	Programme 1: Administration	Financial statements prepared and all deadlines met	Achieved
75	Prepare monthly management reports and financial statements detailing actual expenditure against administration and Discretionary budgets	Monthly management accounts and financial statements prepared and submitted to Executive management. Reporting to the sub-committees and the Board quarterly. Submit accurate, timely quarterly reporting to the DHET.	Programme 1: Administration	Monthly management accounts prepared and reported. All deadlines for quarterly reporting met (for the 4 quarters)	Achieved
76	Prepare annual operational budget for Board approval in line with PFMA and Treasury requirements and submit annual budget, together with SLA, to DHET by 30 September	Planning of operational budget in July, budget workshop in August with sub-committee and Board approval in September to be submitted to DHET by end September	Programme 1: Administration	Plan achieved by due date	Achieved
77	Develop and implement an effective risk management and fraud prevention strategy	Annual Risk assessment Completed. Risk reporting monthly, quarterly Risk management Committee meetings and reporting to the Audit Committee and the Board	Programme 1: Administration	Plan achieved to date. Annual Risk assessment completed. Risk register updated, mitigation and progress reporting monthly	Achieved
78	Implement an effective internal audit system that will provide adequate audit coverage for the HWSETA, and improve controls and operations	Agree on annual internal audit plan (approval by the Audit Committee). Support to internal audit on execution of plan, and quarterly reporting on resolution of findings progress	Programme 1: Administration	The annual internal audit plan was approved in September 2012, and reporting to various committees in place and achieved. Support to internal audit in place. All audits agreed have been completed.	Achieved

HEALTH AND WELFARE SECTOR INTERVENTIONS: Financial services

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
79	Implement an effective payment system for mandatory and discretionary grants	Payment system in place with Controls. Timeous payments of discretionary grants within 7 working days of approval. Payment of quarterly mandatory grants to approved employers. Reporting monthly	Programme 1: Administration	Quarterly payments to mandatory grants achieved in quarters. Timeous disbursement of approved discretionary grants achieved.	Achieved
80	Implement an effective procurement system as per the approved Procurement Policy and Treasury Regulations	Gaps in procurement id and controls/measures to be put in place: <ul style="list-style-type: none"> All procurement positions to be filled Implemented controls Planning session conducted annually with Procurement Division Effective system in place to ensure efficient and effective, and cost effective procurement of all services needed by the HWSETA, backed up by evidence New Treasury Instruction notes being dealt with by procurement and implemented Tender processes: Notification to divisions done in June 2011	Programme 1: Administration		

HEALTH AND WELFARE SECTOR INTERVENTIONS: Grants Management

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
81	Payment of mandatory grants to approved employers in accordance with the SDA and Regulations. Support to large, medium and small business	Payment of timeous, quarterly mandatory grants to approved employers	Programme 3: Grants Management	Mandatory grants were paid in all quarters in line with legislation	Achieved

HEALTH AND WELFARE SECTOR INTERVENTIONS: Support QCTO and ensure efficient and reliable quality assurance system for providers

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
82		Staff transition, process development, payment for services, qualification development, assessment practices	Programme 5: Education and training quality assurance	Delegation for quality assurance has been given to HWSETA since September 2012. No transfer of function and staff to take place until the QCTO finalise the ETQA model in 2013. Policies and procedures under the QCTO are in draft format and awaiting further inputs and approval by the QCTO Council	
83	200 training providers accredited on full qualifications and approved skills programmes	Capacity Building for 100 providers conducted and 50 providers accredited for 8 qualifications and 5 skills programmes	Programme 5: Education and training quality assurance	134 delegates attended the capacity building workshop. Accreditation is underway for 10 training providers and re-accreditation of 30 training providers completed in the fourth quarter	
84	20 Qualifications developed in line with QCTO requirements and registered with QCTO	Conduct consultation with key Stakeholders and identify 5 qualification to QCTO. Develop and register 5 qualifications with QCTO - 3 Social Development qualifications and 2 Health qualifications	Programme 5: Education and training quality assurance	Consultation started with ETQA SC on qualifications and appointment of the QCTO qualification development facilitator approved	Stakeholders, Professional bodies and Councils to be approached to look into priorities for qualification development
85	200 training providers accredited on full qualifications and approved skills programmes	Capacity Building for 100 providers conducted and 50 providers accredited for 8 qualifications and 5 skills programmes	Programme 5: Education and training quality assurance	134 delegates attended the capacity building workshop. Accreditation is underway for 10 training providers and re-accreditation of 30 training providers to be completed in the fourth quarter	
86	20 Qualifications developed in line with QCTO requirements and registered with QCTO	Conduct consultation with key Stakeholders and identify 5 qualification to QCTO. Develop and register 5 qualifications with QCTO - 3 Social Development qualifications and 2 Health qualifications	Programme 5: Education and training quality assurance	Consultation started with ETQA SC on qualifications and appointment of the QCTO qualification development facilitator approved	Stakeholders, Professional bodies and Councils to be approached to look into priorities for qualification development
87	A curriculum framework Developed and implemented within the Health and Social Development. 20 Curriculum developed inline with qualifications development and registered with QCTO	5 Curriculum Developed inline with qualifications developed and registered with QCTO	Programme 5: Education and training quality assurance	NCV (Health) curriculum developed. Community Health Work development in progress	Curriculum will be developed in line with qualifications developed
88	20 Learning materials developed for qualifications registered with QCTO and SAQA	5 Learning Materials Developed for 5 qualifications registered with SAQA and QCTO	Programme 5: Education and training quality assurance	This process will commence in the fourth quarter	Learning materials will be developed where there is high increase in demand for accreditation
89	Evaluate 200 learning programmes for accreditation	Evaluate 50 Learning materials for accreditation of training provider	Programme 5: Education and training quality assurance	138 learning programmes evaluated. 134 learning programmes are currently being evaluated and 21 evaluated in the fourth quarter	
90	Evaluate and approve 50 skills programmes for registration	Evaluate and approve 10 skills programmes for registration	Programme 5: Education and training quality assurance	No skills programme registered.	Training providers aligned their programme to currently registered skills programme

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
91	Evaluate and approve 200 workplaces to implement learnerships and qualifications	Evaluate and approve 50 workplaces for practicals for learnership and qualifications	Programme 5: Education and training quality assurance	No workplace approved for Learnership implementation	
92	Register 160 Assessors and 80 Moderators to assess and moderate HWSETA quality assured qualifications and skills programmes	Register 40 Assessors and 20 Moderators	Programme 5: Education and training quality assurance	1514 Assessors were registered while 592 moderators were registered	Obtained assistance through temporary staffing
93	Sign and maintain relationship with 40 Professional bodies, SETA, ETQA and band ETQA	10 Agreements signed	Programme 5: Education and training quality assurance	Agreements will be signed in 2013 for assessment quality partner with professional bodies and FET colleges. Further agreements will be signed for the development of qualifications	
94	Verify 180 providers for skills programmes, learnership and full qualifications	Verify 40 Providers.	Programme 5: Education and training quality assurance	12 Training providers results endorsed while 183 monitoring and evaluation visits conducted	183 Verification conducted. 86 results endorsed other results could not be endorsed as there were outstanding issues like learner not being updated.
95	Build capacity for 200 providers to upload learner achievement information on the SMS. Upload information for learners, assessors, moderators and providers on the SAGANLTD System and maintain Green status with SAGA for compliance to requirements	Build capacity for 50 providers to upload learner achievement information. Provide information to SAGA as per requirements and maintain Green status	Programme 5: Education and training quality assurance	Capacity building workshops held for training providers resulting in 490 delegates trained to upload learners on SMS.	Green status not maintained and obtained yellow status due to problems with skills programmes
96	Certificate 4000 learners, 160 assessors and 80 moderators	1000 Certificates issued for learner achievements, 40 certificates issued for assessors and 20 certificates issued for moderators	Programme 5: Education and training quality assurance	3579 Certificates issued to learners on full qualification	The division no longer prints certificates as per QCTO directive
97	Implement and achieve the Standard to 50 Providers and 50 Employers	Market the Investors in People Standard to Primary focus providers and HWSETA Employers. Obtain buy-in and commitment to 50 employers and 50 providers	Programme 5: Education and training quality assurance	Programme geared to be sensitised and implemented in 2013	
98	Conduct Grading for 300 Providers and place them in to the different levels of the Grading System. Publish the providers on HWSETA website	Develop the Star Grading System and get it approved by Board. Market the Star Grading System to accredited providers	Programme 5: Education and training quality assurance	Grading system will be developed and finalised in 2013 after the audit of training providers in 2013	
99	Develop 1 RPL assessment centres per region in the FET Colleges and RPL tools for 5 key qualifications. RPL 1500 employees on HWSETA registered qualifications and skills programmes	Conduct consultation with key stakeholders and identify 5 qualifications to develop the RPL tools and FET Colleges per province based on needs and available requirements. Start with the development of RPL tools	Programme 5: Education and training quality assurance	Agreements will be signed in 2013 for the assessment quality partner with professional bodies and FET colleges. Further agreements will be signed for the development of RPL tools	

HEALTH AND WELFARE SECTOR INTERVENTIONS: Achievable HWSETA strategy aligned to principles of good corporate governance complying with applicable regulations

Target number	HWSETA 2011-2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
100	A system of Contracts / MoUs / SLA management introduced, implemented and reported on	A document management system in place and operating. Management of all contracts in place and reported on quarterly	Programme 6: Strategy and Governance	Contracts management tool in place to monitor due dates and reporting to relevant divisions	
101	Introduce measures that will detect contraventions of law and applicable regulations and respond to ad hoc allegations of fraud or contraventions of law	A register in place on all contraventions/ fraud, with status/action and progress. To be reported monthly to CEO, and quarterly to sub-committees and Board	Programme 6: Strategy and Governance	Contraventions investigated and reported on an ongoing basis	
102	Review compliance to tender and procurement procedures and report quarterly	Set all tender documents. Attend tender committee meetings. Report quarterly on any violations with action and progress.	Programme 6: Strategy and Governance	All tenders vetted as and when procurement sends them through	
103	Effectively deal with all litigation matters involving the HWSETA in an appropriate and timely manner	A register of progress and action in all litigation cases. Reporting quarterly on these matters to sub-committees and CEO	Programme 6: Strategy and Governance	Litigation matters and pending legal issues reported monthly and quarterly	
104	Identify and develop new policies required by HWSETA and review existing policies to determine suitability and update in terms of new legislative changes	Policy register updated quarterly, identify policies that need review/change due to practice or legislation. Progress on policy review and approval.	Programme 6: Strategy and Governance	Review of policies and updates communicated to respective divisions, committees and Board regularly. Register of policy reviews maintained and updated	
105	Business Plan approved by Board and SLA with DHET approved by Board.	Business Plan and SLA submitted for approval by Board and to DHET in line with Treasury Regulations and requirements of the DHET	Programme 6: Strategy and Governance	STRATPLAN, APP, Budget, SLA and SSP submitted to DHET as per DHET and National Treasury guidelines	STRATPLAN, APP and Budget tabled in Parliament as per legislation
106	Quarterly review sessions of the CEO with Executive Management to review progress on the strategy, effectiveness of operations and correction	Quarterly CEO review sessions to take place, with plans and corrective action to achieve objectives	Programme 6: Strategy and Governance	Briefing sessions with the CEO on progress on priority matters held due to OD exercise and clearance of backlog in some areas of operation	Priorities such as the OD exercise and the trouble shooting in the ETQA division necessitated regular and ad hoc progress briefing meetings with the CEO

SUPPORT FOR THE HUMAN RESOURCE STRATEGY FOR SOUTH AFRICA - 2030

Target number	HWSETA 2011 -2016 Success Indicator	HWSETA Plan For 2012-2013 annual target and outcome	Delivery mechanism	Achievements to 31 March 2013	Comments
107	Strategic Priority 4.1	Ensure 500 unemployed adult have access to Training opportunities in literacy and ABET 400 black 300 woman in the 2012-2013 period	Programme 4: Skills Development programmes and projects implementation		New HWSETA Commitment
108	Placement of person with Disabilities project (500)	Development place guide, launch the project and make the Incentive Grant available to employers in the sector in the 2012-2013 period	Programme 4: Skills Development programmes and projects implementation		Make the Incentive Grant available to employers in the sector
109	Special funding Window	Funding for project base on surplus funds available in the 2012-2013 period	Programme 4: Skills Development programmes and projects implementation		Funding for projects based on surplus available
110	Set guidelines of ratios of trainees: Artisans	New target: Artisans – 1:3.8, Other Programmes – 1:25, Mentorship – 1:5	Programme 5: Education and training quality assurance	No movement on setting the targets in the current year	
111	Improving the role and function of FET Colleges	NSDS III: target 4.3.1.2 and 4.3.2.2	Programme 5: Education and training quality assurance	Meetings and workshops held with FET Colleges took place and enabled the HWSETA to sign MoUs with them	Collaboration with FET Colleges to continue enabling FET Colleges to offer HWSETA programmes



Health and Welfare Sector
Education and Training Authority
HWSETA





SECTION 5

LEGAL OFFICE

THE NATIONAL SKILLS DEVELOPMENT STRATEGY (NSDS III) IS CLOSE TO HOME AND FRAUD PREVENTION IS HIGH ON OUR PRIORITY LIST AS SET OUT IN THE HWSETA ANTI FRAUD AND ANTI CORRUPTION POLICY AS EVIDENCED BY OUR STRICT NO-GIFT POLICY.

LEGAL OFFICE



Mmamy Khaile
Legal Advisor

THE LEGAL OFFICE CONTINUES TO ENHANCE LEGAL COMPLIANCE AND SYSTEMS WITHIN HWSETA. THE OFFICE PROVIDES GUIDANCE IN RESPECT OF LEGAL MATTERS WITHIN HWSETA.

Legislative and Other Mandates

The Health and Welfare Sector Education and Training authority (HWSETA) is established under the provisions of the Skills Development Act, 1998 (Act 1 of 1998). The HWSETA is also classified as a Schedule 3A public entity under the provisions of the Public Finance Management Act, 1999 (Act 1 of 1999)

The HWSETA Board, as the Accounting Authority, is accountable to ensure sound corporate governance. The Governance report can be found at the beginning of the Annual Report.

The HWSETA management and staff function under the guidance of the CEO who in turn reports to the Board which operates within specific constitutional, legislative, functional and policy mandates underpinned by a Board Charter.

I am not going to list them all here but firstly there is adherence to the Public Finance Management Act 1999 (Act 1 of 1999) and the Skills Development Act, 1998 (Act 1 of 1998). Secondly there are a plethora of legislative, functional and policy mandates including the Basic Conditions of Employment Act and the Promotion of Access to Information Act.

The National Skills Development Strategy (NSDS III) is close to home and fraud prevention is high on our priority list as set out in the HWSETA Anti Fraud and Anti Corruption Policy as evidenced by our strict No-Gift Policy.

Our Annual Plan and the Five Year Plan as read together with our service level agreement signed with our immediate reporting line namely the Department of Higher Education and Training are the other pillars of our organization. Implementation will then take place against the background of these plans and legislation governing our operations and execution.

Compliance with laws and regulations

There are checklists in place, even down to the administration level and standard operating procedures which are dovetailed to exactly match what is expected in terms of the legislative and policy frameworks.

In the past year we have identified some gaps between our HWSETA policies and procedures and proceeded to close them. Particular examples are petty cash and travel. The anomaly in that the HWSETA required stakeholders to submit tax clearance certificates with their WSPs has now been removed from the HWSETA policy and will be in keeping with the legislation which does not require the tax clearance. The tax clearance certificates will still be required for Discretionary Grants but not for mandatory grants.

HWSETA has a special division assigned to Research, Information, Monitoring and Evaluation. However there are other means

in place to monitor regularly e.g. quarterly reporting to the DHET.

Conflict of Interest

Careful attention has been paid to Supply Chain and at all levels within the organization in that staff members are regularly requested to complete declaration forms. Obviously this also prefaces all processes in the awarding of tenders or even instances where short-listed service providers might be called to present on their products/services.

The organisation endeavours to foster ethical behavior and to address issues such as corruption, fraud and unethical conduct amongst its stakeholders. In achieving this goal, HWSETA utilizes the services of independent service provider, Deloitte and the service is available 24 hours a day and 365 days a year. The Hotline is intended to achieve the following:

- Deter potential fraudsters, by making all employees and stakeholders aware of the existence of the service.
- Raise level of awareness of HWSETA's seriousness on fraud and corruption.
- Detect elements of fraud and corruption by encouraging whistle blowers to report incidents.
- Assist HWSETA to identify areas of risk in order that preventative and detective controls can be improved and developed.

Tip Offs

Over the past year, a total of 5 incidents were reported through the hotline. These incidents related to unethical behavior, fraud and unaccredited training. The cases were investigated and appropriate action was taken. Some of the cases required involvement of law enforcement agencies and are still under investigation.

Promotion of Access to Information Act 2 of 2000

In the past financial year, only one request was received in terms of PAIA and the request was granted as it complied with the necessary requirements.

Litigation

Currently there are 2 pending litigation matters against HWSETA. The matters were instituted in 2009 and 2011 respectively and relate to Ler-Ong Consulting and HASA (Hospital Association of South Africa). The first case involves a civil claim for breach of contract.

In the second matter, the Minister of Higher Education and Training is the first respondent while HWSETA and its Board are cited as second to seventeenth respondents. The applicant (HASA) seeks an order to reverse the Minister's decision in appointing the current Board. In both matters, HWSETA has defended the legal actions.



OVER THE PAST YEAR, A TOTAL OF 5 INCIDENTS WERE REPORTED THROUGH THE HOTLINE. THESE INCIDENTS RELATED TO UNETHICAL BEHAVIOR, FRAUD AND UNACCREDITED TRAINING. THE CASES WERE INVESTIGATED AND APPROPRIATE ACTION WAS TAKEN. SOME OF THE CASES REQUIRED INVOLVEMENT OF LAW ENFORCEMENT AGENCIES AND ARE STILL UNDER INVESTIGATION.



SECTION 6

DIVISIONAL REPORTS

- *Skills Development Planning Division (SDP)*
- *Education and Training Quality Assurance (ETQA)*
- *Research, Information, Monitoring and Evaluation (RIME)*
- *Corporate Services (CS)*
- *Finance*

SKILLS DEVELOPMENT PLANNING DIVISION



Mr Patrick Samuels
Executive Manager:
Skills Development Planning Division

*DIVISIONAL GOALS AND OBJECTIVES
TO PROVIDE SKILLS TO LEARNERS IN THE
WORKPLACE IN SCARCE AND CRITICAL
AREAS WITHIN THE HEALTH AND WELFARE
SECTORS WITHIN THE NSDS III PERIOD
QUALIFICATIONS AND WORK EXPERIENCE
EMPLOYMENT ON A PERMANENT BASIS
SUSTAINABLE LIVELIHOODS, HEALTHY
COMMUNITY, ALLEVIATION OF POVERTY*

THE SKILLS DEVELOPMENT PLANNING DIVISION IS DIVIDED INTO TWO SUB-DIVISIONS HEADED BY MANAGERS WHO ARE REPORTING TO THE EXECUTIVE MANAGER: SDP.

- To support / facilitate the implementation of the National Skills Development Strategy
- To capacitate Skills Development Facilitators (SDFs) in driving the NSDS. Assist stakeholders with any skills development/ HWSETA related processes.

The skills Development division’s mandate is to co-ordinate support by encouraging constituent registered employers to submit mandatory grant reports (workplace skills plans and implementation reports) as per the skills development act and skills development levies act.

The following are the targets set out for the division in addressing the skills needs within the Health and Social development sector:

- To register and implement learning programmes (Learnerships, Skills Programmes, Internships and Bursaries)
- To administer the submission of Workplace Skills Plans and Implementation Reports (WSPIRs)

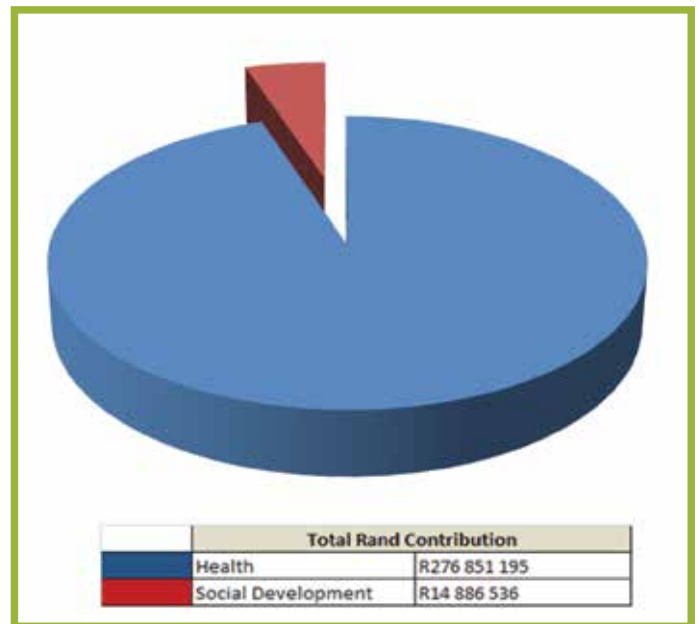




Skills Development Levy

The collection of the Skills Development Levy from all employers registered with the Health and Welfare Seta from both participating and non participating employers was split between the two sectors (Health and Social Development) as follows:

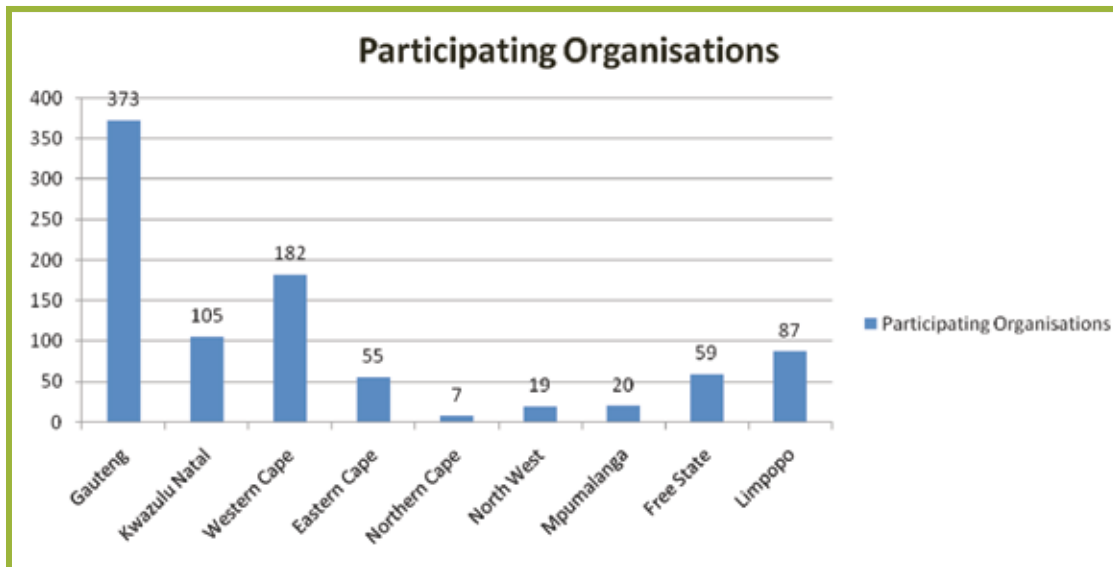
Graph 1: Skills Development Levy received from Health and Social Development



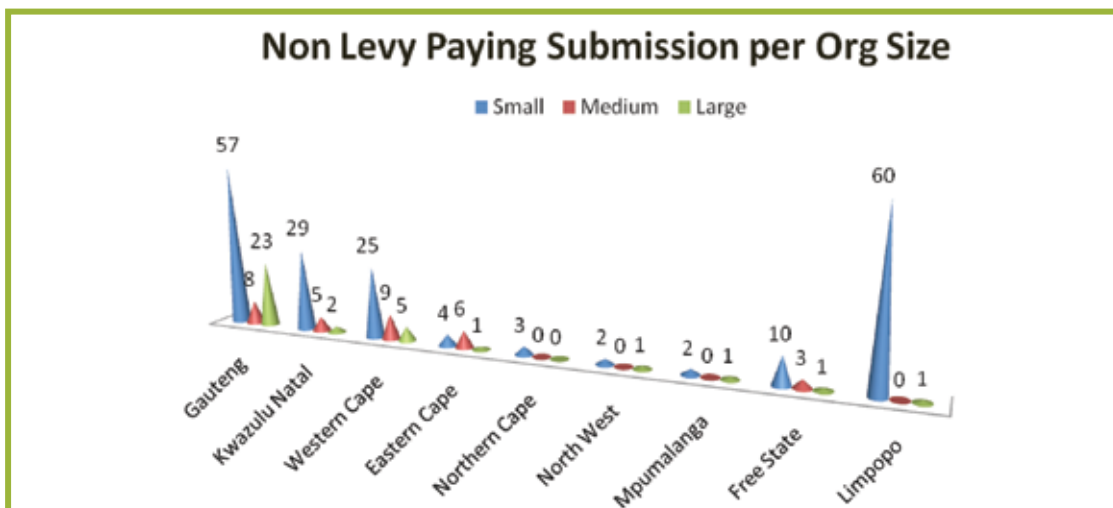
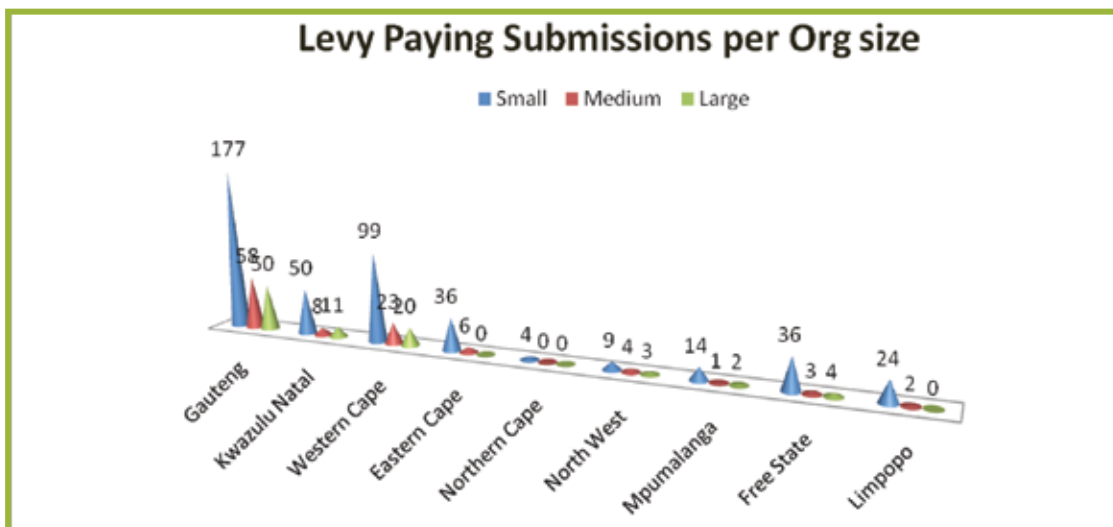
Workplace Skills Plans and Implementation Reports (WSPIR)

Of the total 18 967 organisations registered with HWSETA, only a total of 907 (both levy paying and levy exempt organisations) participated in the submission of the Workplace Skills Plan for the 2012-2013 financial year. Since 2005 all organisations must submit a WSPIR in order to qualify to receive a Mandatory Grant and the Discretionary Grant. Only organisations which pay the Skills Development levy are eligible to receive the Mandatory Grant.

Graph 2: Provincial distribution of participating levy paying and non levy paying organisations



A total of 907 WSPIR's were received from participating organisation from which 644 was from the levy paying organisations. From 644 received 490 WSPIR's were approved and 154 were rejected. 264 of the WSPIR's submitted was received from the levy exempt sector from which 217 WSPIR's were accepted and 47 Rejected. All rejections were due to non-compliance with the submission criteria.



Skills Development Projects

Eight projects were implemented during the 2012-2013 financial and were based on the Strategic objectives of the NSDSIII as well as the HWSETA Sector Skills Plan.

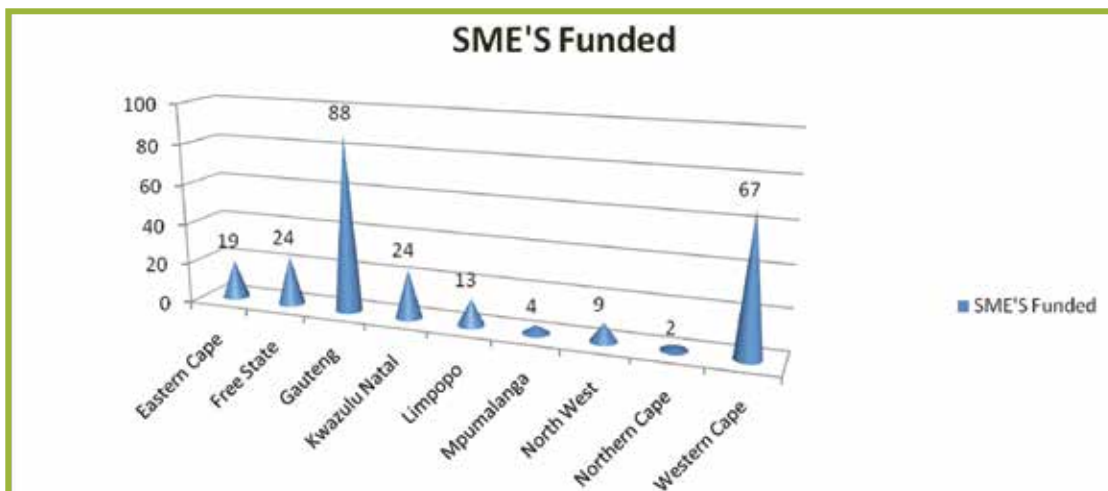
Small Medium Enterprises Grant

Small Medium Enterprises (SME's) are organisations which employ 1-49 employees and are not exempted from paying the Skills Development Levy.

The HWSETA funded a total of 250 SME's during the 2012-2013 financial years towards training and development of employed workers. Each organisation was awarded a maximum of R20 000 in priority areas indicated in the Sector Skills Plan. An additional R5 000 was awarded to employers training an employee with a disability. The following are the three categories of training that were covered by the funding:

1. Courses related to industry specific needs
2. Courses for Continuous Professional Development
3. Other courses limited to:

- Management and supervisory
- Finance, Accounting and Corporate Governance
- Project Management
- Sales, Marketing and Customer Service
- Reception and Administration
- Life Skills
- Information Technology
- Presentation and communication skills
- Skills Development Facilitator Training
- HIV/AIDS
- First Aid Training
- Occupational Health and Safety

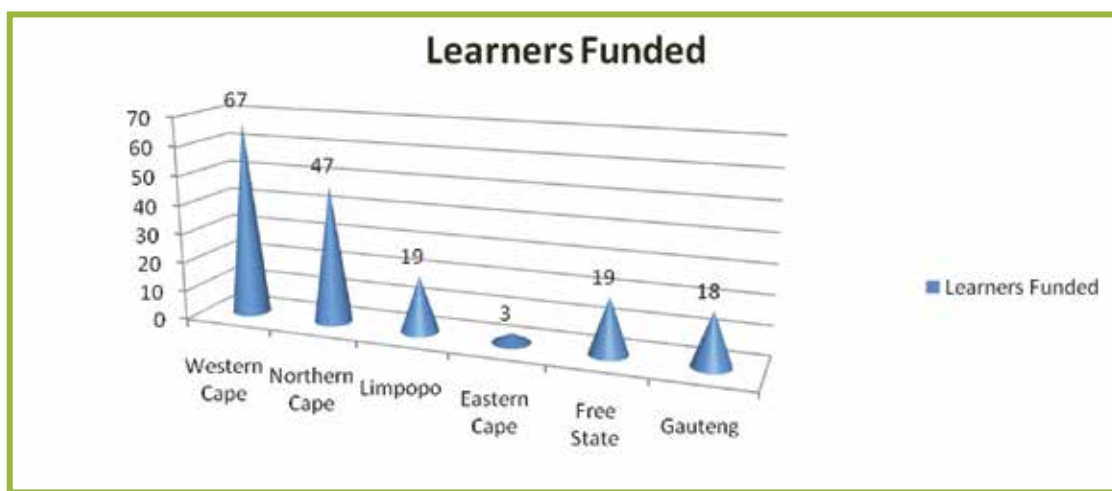


Early Childhood Development Level 5

Early childhood education (also early childhood learning and early education) refers to the formal teaching of young children by people outside the family or in settings outside the home. "Early childhood" is usually defined as before the age of normal schooling – five years in most nations,

The aim of this type of project was to enhance support to the formal development needs of children wherever they are. It was support the capacity of Early Childhood Development practitioners to be developed for the sake of them being able to contribute to the formal development requirements of the child, and not just be "caregivers" of children.

The HWSETA funded unemployed learners on the Early Childhood Development NQF level4 qualification during the 2009-2010 financial year. The ECD level 5 implementation was approved to progress the learners that were deemed competent on the level 4 qualification. The same training providers with which the learners completed the NQF level qualification were invited to progress these learners.



Workplace Experience

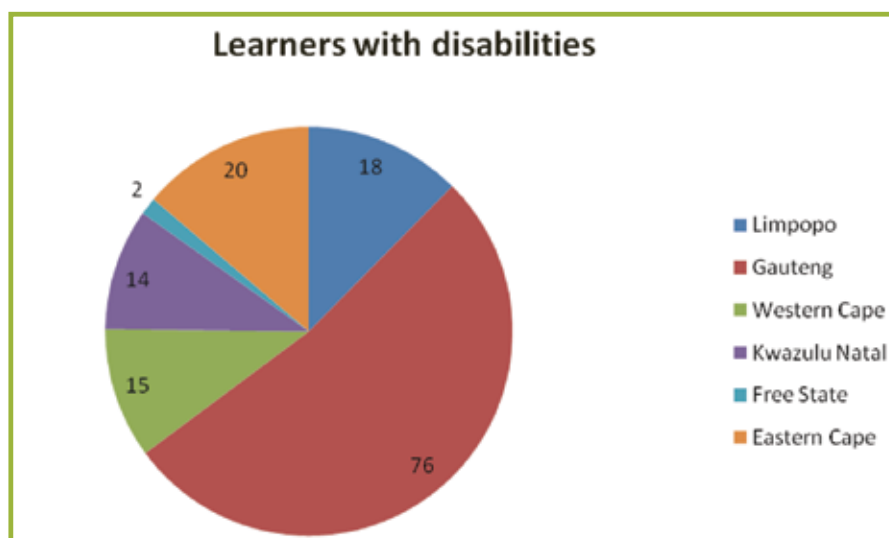
Work experience is 'a placement on employer's premises in which a student carries out a particular task or duty, or a range of tasks or duties, more or less as would an employee, but with the emphasis on the learning aspects of the experience'

The HWSETA funded 300 Social Work graduates to be placed in Workplace Experience during for the 2012/2013 financial year.

Workplace Experience for persons with disabilities

In an attempt to address the challenge of the Health and Social Development employers in meeting the 4% disability equity target, the HWSETA implemented the Workplace Experience for persons with disabilities 2012-2013.

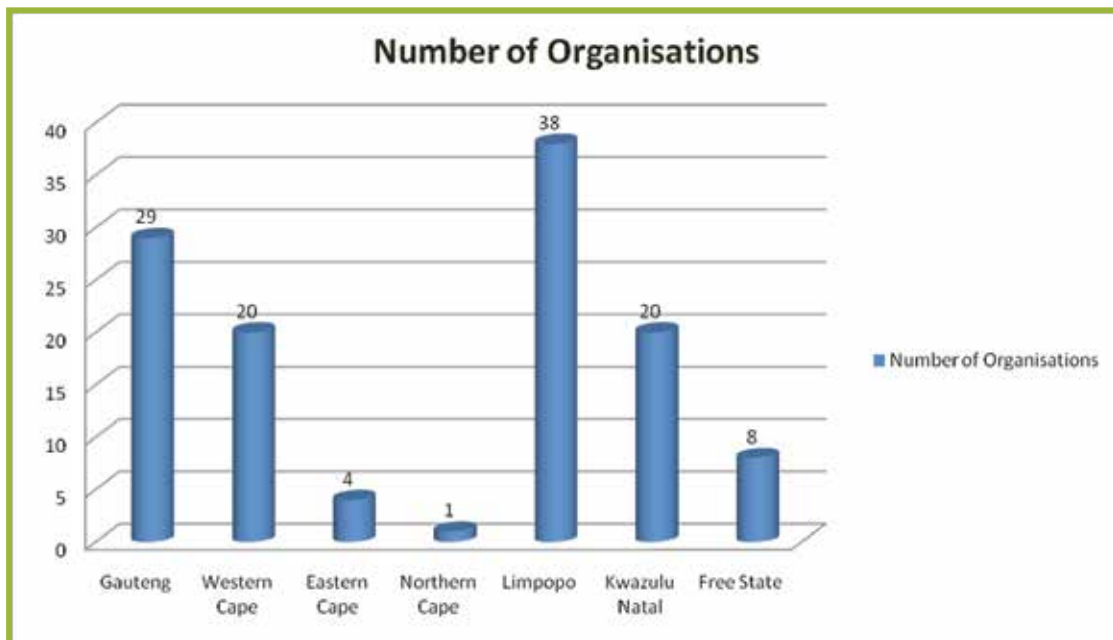
With the workplace experience grant for people with disabilities the HWSETA aims to promote the placement and ultimate employment of people with disabilities across both Health and Social Development Sector. Employers were awarded an opportunity to recruit learners with a disability whom they wish to place in their workplaces for internship purposes.



Levy Exempt Grant

The levy exempt grant is a grant awarded to organisations that have been exempted from paying the Skills Development Levy aimed at capacitating their employees. These organisations include NGO's, FBO's, CBO's and Section 21 companies. The HWSETA funded 120 organisations to train their employees on learning areas identified in the Workplace Skills Plan on the following learning areas:

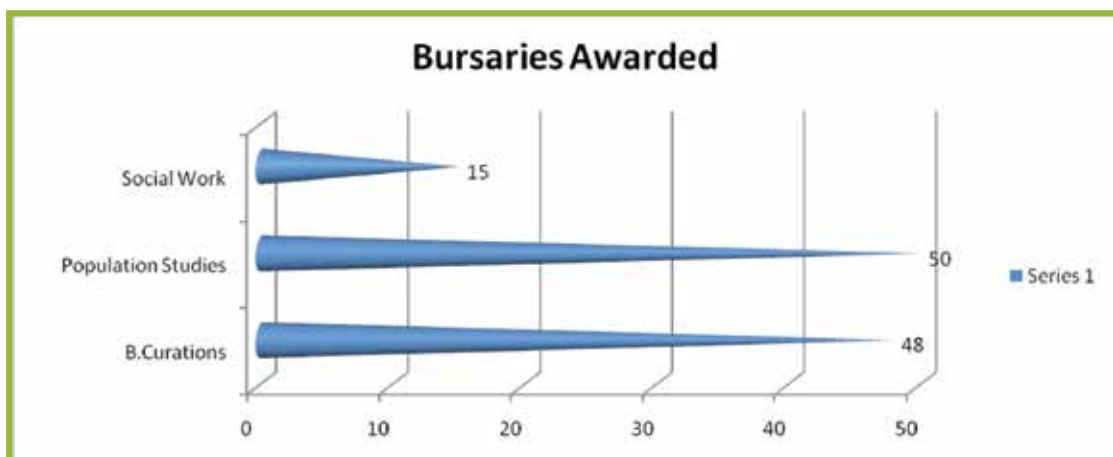
- Project Management
- Computer Skills
- Management Skills
- Customer Service Skills
- HIV Aids
- Financial Management Skills
- Human Resources
- Fundraising
- Life Skills
- Research



Bursaries

A bursary is monetary award that is granted on the basis of financial need. Bursaries are financial-need based that do not have to be repaid. The HWSETA awarded the following Bursaries to unemployed learners who studied at various Higher Education and Training Institutions:

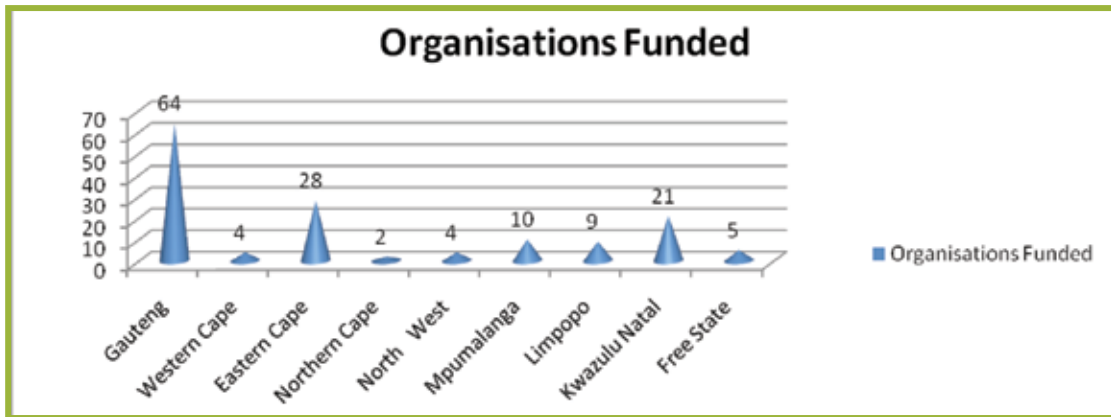
- B. Nursing Science
- Population Studies
- Social Work



Cooperatives Grant

The HWSETA awarded a total of 147 cooperatives a maximum amount of R15 000 towards training and development of its members according to their skills needs as identified in their Workplace Skills Plan. Of the 147 cooperatives funded 67 are from the Health sector and 80 are from the Social Development sector. This will allow them to gain more expertise and enhance their skills. The training is credit bearing, this implies that it will be learning programme outcomes will be formally recognised.

Graph 10: Illustrates the number of organisations approved per region:



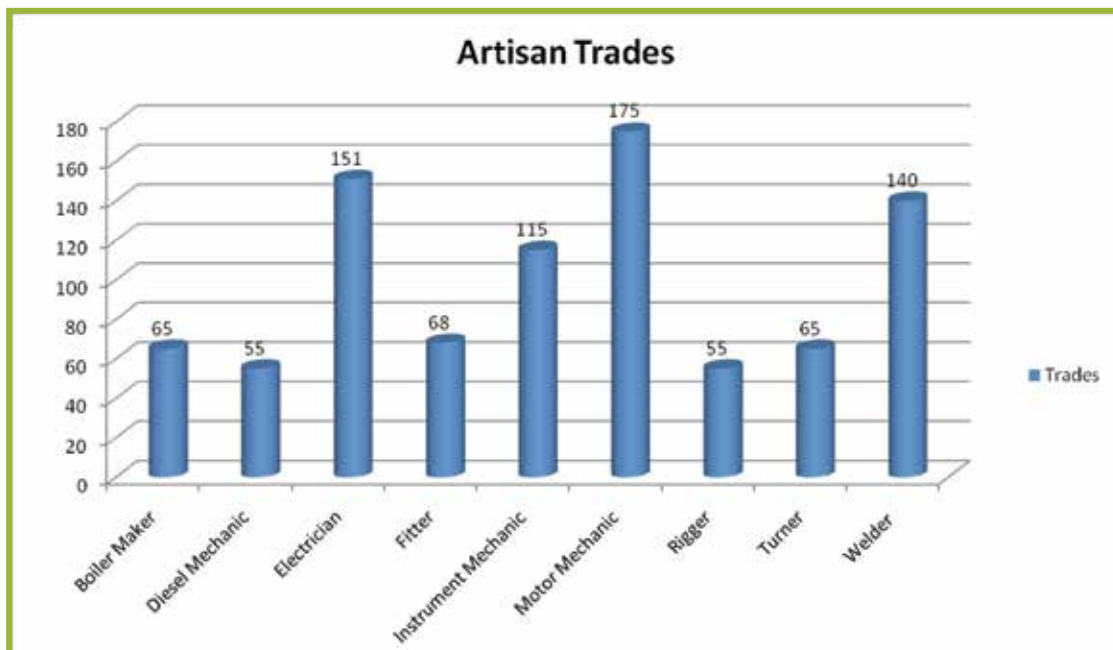
Pre-apprenticeship Grant

The pre-apprenticeship project was designed to enable learners who wish to enter into an apprenticeship but do not have the minimum requirements to enter into an apprenticeship such as being in possession of an N1 qualification in an Artisan related field. Apart from Technical High Schools FET colleges are the driving mechanism which provides learners with the necessary Skills and knowledge into Apprenticeship/ Artisan related fields of study.

“The National Certificate (Vocational) and N-courses are recognised by Health and Social Development and Social Development employers as important base qualifications through which young people are obtaining additional vocational skills and work experience, entering the labour market with marketable skills, and obtaining employment”

During the 2012/13 financial year the HWSETA implemented the pre-apprenticeship project through public FET colleges. A total of 9 FET Colleges participated and 889 learners were registered on the programme. The Graph below illustrates the number of learners for which funding was awarded and the related trades:

Graph 11



Skills Programmes

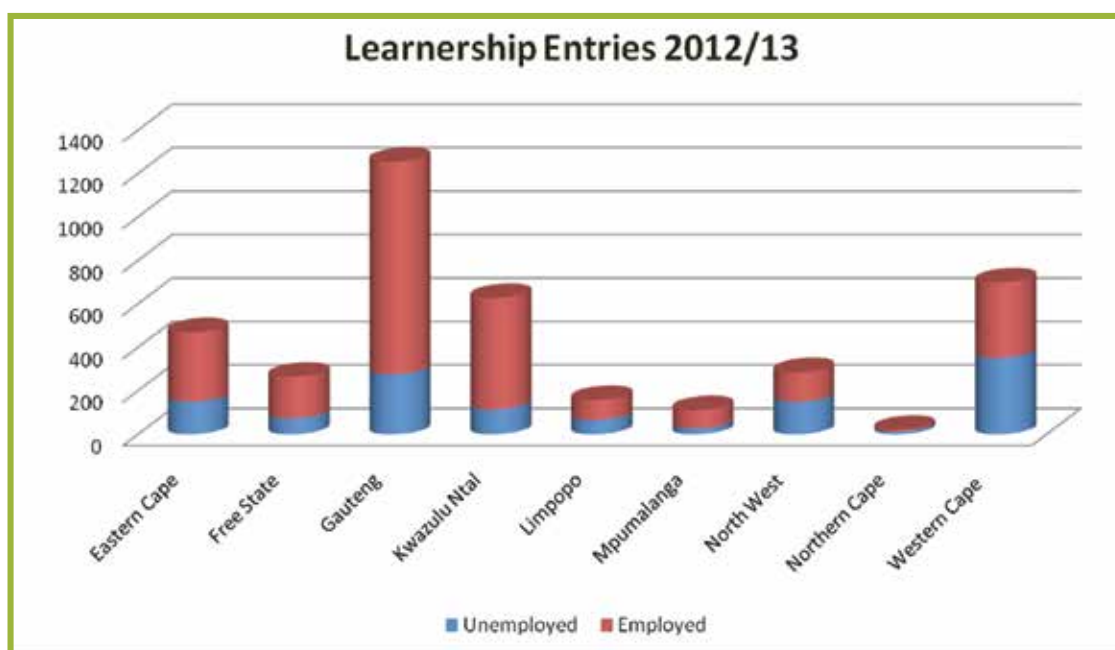
Special Projects

An interrelated and primarily no repetitive set of activities which combine to meet certain objectives

Learnerships

The Learnership is an occupationally based learning programme with an emphasis on developing on the job competence. It represents the opportunity for the learner to be formally recognized in terms of having achieved a recognized qualification. It is currently the chief mechanism through which we facilitate the disbursement of discretionary grants.

Graph 12: Illustrates the number of learners entered into learnerships



Conclusion

We would like to thank all our stakeholders for their participation in our Skills Development initiatives during this year. We look forward to expanding their participation and increasing our impact on all those communities in need of our assistance. Thanks also goes to our staff for their dedication and commitment to attain our goals.

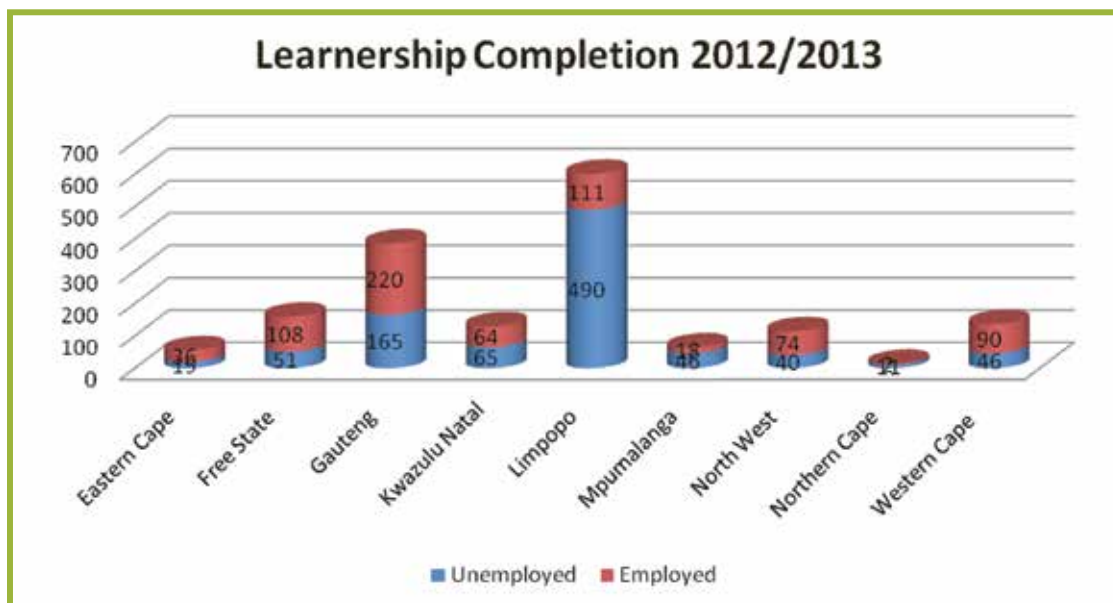
The Table illustrates the learnership Qualification distribution per province for the Unemployed learners Entries

NO	Qualification	Province											Total	
		EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC				
1	Nursing: Auxiliary	10	19	56	42	19	18	77	4	79				324
2	Nursing: Enrolled	98	11	5	1	0	1	35	0	4				155
3	Nursing: Bridging	4	0	24	27	6	2	2	1	19				85
4	Nursing: PB Primary Healthcare	0	0	0	0	0	0	0	0	0				0
5	Nursing: Operating Theatre	0	0	0	0	0	0	0	0	0				0
6	Nursing: Critical Care	0	0	1	1	0	0	0	0	0				2
7	Basic Pharmacist Assistant	16	8	62	23	6	2	11	2	24				154
8	Post Basic Pharmacist Assistant	2	12	21	10	2	1	13	0	10				71
9	Phlebotomy Techniques	3	7	38	2	1	1	2	4	19				77
10	Diagnostic Radiography	1	7	48	4	17	2	6	1	6				92
11	Social Auxiliary Work	14	9	21	3	15	0	0	0	53				115
12	Ancillary Health Care	0	0	0	0	0	0	2	0	40				42
13	Community Health Work	0	0	0	0	0	0	0	0	0				0
14	Child and Youth Care	0	0	0	0	0	0	0	0	0				0
15	HIV AIDS Support	0	0	0	1	0	0	0	0	0				1
16	Hygiene and Cleaning	1	0	0	0	0	0	0	0	67				68
17	Business Administration	0	0	0	0	0	0	0	0	31				31
	Totals	149	73	276	114	66	27	148	12	352				1217

The Table illustrates the learnership Qualification distribution per province for the Employed learners Entries

NO	Qualification	Province											Total		
		EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC					
1	Nursing: Auxiliary	10	20	67	0	2	4	4	0	7					114
2	Nursing: Enrolled	135	30	180	27	8	19	13	3	73					488
3	Nursing: Bridging	80	34	268	241	51	25	36	1	91					827
4	Nursing: PB Primary Healthcare	1	43	0	21	0	0	41	0	4					110
5	Nursing: Operating Theatre	5	2	18	28	3	0	3	1	12					72
6	Nursing: Critical Care	6	27	83	76	1	4	6	0	8					211
7	Basic Pharmacist Assistant	53	22	260	68	13	21	14	3	106					560
8	Post Basic Pharmacist Assistant	25	12	88	22	12	10	17	0	35					221
9	Phlebotomy Techniques	0	0	4	0	0	0	0	0	1					5
10	Diagnostic Radiography	0	0	7	1	0	0	3	0	0					11
11	Social Auxiliary Work	4	1	1	20	1	0	0	0	10					37
12	Ancillary Health Care	0	0	0	0	0	0	0	0	0					0
13	Child and Youth Care	1	0	1	0	0	0	0	0	0					2
14	Community Health Work	0	0	0	0	0	0	0	0	0					0
15	HIV AIDS Support	0	0	1	9	0	0	0	0	0					10
	Totals	320	191	978	513	91	83	137	8	347					2668

Graph 13: Illustrates the number of learners who completed Learnerships: Provincially



The Table illustrates the learnership Qualification distribution per province for the Unemployed learners Completions

NO	Qualification	Province											Total
		EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC			
1	Nursing: Auxiliary	0	0	0	0	0	0	13	0	1	14		
2	Nursing: Enrolled	16	18	40	2	1	1	7	0	19	104		
3	Nursing: Bridging	0	1	2	0	1	0	1	0	2	7		
4	Nursing: PB Primary Healthcare	0	0	0	0	0	0	0	0	0	0		
5	Nursing: Operating Theatre	0	0	0	0	0	0	0	0	0	0		
6	Nursing: Critical Care	0	0	0	2	0	0	0	0	0	2		
7	Basic Pharmacist Assistant	1	2	4	7	1	0	1	0	9	25		
8	Post Basic Pharmacist Assistant	1	12	3	7	0	1	0	0	2	26		
9	Phlebotomy Techniques	0	0	28	1	0	0	0	0	0	29		
10	Diagnostic Radiography	0	2	10	0	0	1	0	0	0	13		
11	Social Auxiliary Work	0	0	33	38	7	1	0	2	12	93		
12	Ancillary Health Care	1	15	40	8	480	40	15	9	1	609		
13	Community Health Work	0	0	4	0	0	0	3	0	0	7		
14	Child and Youth Care	0	1	1	0	0	2	0	0	0	4		
15	HIV AIDS Support	0	0	0	0	0	0	0	0	0	0		
	Totals	19	51	165	65	490	46	40	11	46	933		

The Table illustrates the Learnership Qualification distribution per province for the Employed learners Completions

NO	Qualification	Province											Total
		EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC			
1	Nursing: Auxiliary	1	0	12	0	0	0	2	0	7	22		
2	Nursing: Enrolled	26	24	63	4	0	2	35	0	34	188		
3	Nursing: Bridging	1	24	77	13	2	3	24	0	13	157		
4	Nursing: PB Primary Healthcare	0	5	0	0	0	0	0	0	0	5		
5	Nursing: Operating Theatre	0	0	2	0	0	0	0	0	0	2		
6	Nursing: Critical Care	1	1	3	0	0	0	0	0	0	5		
7	Basic Pharmacist Assistant	5	12	38	13	6	4	4	0	16	98		
8	Post Basic Pharmacist Assistant	2	42	22	14	2	2	9	2	17	112		
9	Phlebotomy Techniques	0	0	2	0	0	0	0	0	0	2		
10	Diagnostic Radiography	0	0	0	0	0	0	0	0	0	0		
11	Social Auxiliary Work	0	0	0	20	0	0	0	0	0	20		
12	Ancillary Health Care	0	0	1	0	101	7	0	0	3	112		
13	Child and Youth Care	0	0	0	0	0	0	0	0	0	0		
14	Community Health Work	0	0	0	0	0	0	0	0	0	0		
15	HIV AIDS Support	0	0	0	0	0	0	0	0	0	0		
Totals		36	108	220	64	111	18	74	2	90	723		



EDUCATION AND TRAINING QUALITY ASSURANCE

THE ROLE OF QUALITY ASSURANCE IS TO FACILITATE AND PROMOTE THE DELIVERY OF QUALITY LEARNING AND TRAINING OFFERED BY ACCREDITED TRAINING PROVIDERS.

As part of the quality cycle of the National Qualification's Framework, the Quality Assurance activities of the Education and Training Quality Assurance (ETQA) that form the goals and objectives of the division include"

- Accreditation of constituent providers
- Registration of constituent Assessors and Moderators
- Capacity building of Education, Training and Development Providers
- Facilitation of the generation and review of Qualifications
- Development of curriculum frameworks and learning material
- Validation of Workplace for Learnership implementation
- Support for Institutes of Sectoral and Occupational Excellence (ISOE)
- Verification of learner achievements: and
- Certification of learners

Accreditation of Training Providers

During the year under review 28 providers were accredited. This statistic should be seen against a background that 80% of Learning Programme Evaluations were not approved which in turn reduced the number of training providers who could be accredited.

Whilst Step One of the accreditation process (which deals mainly with issues such as legal, juristic and policies) is generally achieved without too much difficulty there are major challenges for the aspirant training providers when it comes to writing learning programmes.

In an attempt to address this; the HWSETA made available learning programmes to use as guidelines for Community Healthcare NQF Levels 2 and 4, Victim Empowerment NQF Level 2 and Theology NQF Level 2.

The HWSETA Board has recently approved that learning programmes be made available for Social Auxiliary, Occupational Health and Safety, HIV/ AIDS as well as Child and Welfare. Workshops were held in all nine provinces to build capacity of Education, Training and Development Providers.

New applications for accreditation

The target for the 2012/13 financial year was to accredit 40 providers. This target has however not been achieved as only 28 providers were accredited. The reason for the underperformance is due to the backlog in the evaluation of learning programmes dating back to May 2011 which halted progress of application beyond step two of the accreditation applications. Applications began to progress beyond step two in September 2012 when external learning programme evaluators were contracted. As a result 70% of the annual target has been achieved. Statistics of new accreditation applications received in 2012/13 are tabled below:

CATEGORY OF ANALYSIS	NUMBER OF APPLICATIONS	
Total number of accreditation applications received	212	
Number of current step one applications	45	
Number of applicants who submitted incomplete step two applications	18	
Total number of current step two applications	149	
	Number of applicants with compliant QMS's	100
	Number of applicants with non-compliant QMS's	49
	Number of applicants with approved LPE's t	18
	Number of applicant non-approved LPE's	68
	Number of applicants whose learning programmes are still being evaluated	63
Total number of accreditation site visits conducted	100	
	Number of sites compliant	31
	Number of sites non-compliant	59
Total number of Accredited Providers	28	

Capacity building and quality promotion workshops were held in July 2012 in 8 Provinces. The statistics are tabled below:

Capacity Building		Quality Promotion	
Province	Attendance	Province	Attendance
Gauteng	40	Gauteng	131
Eastern Cape	2	Eastern Cape	18
KZN	22	KZN	53
Limpopo	10	Limpopo	35
Western Cape	42	Western Cape	28
Mpumalanga	05	Mpumalanga	10
Free State	07	Free State	25
North West	00	North West	11
Total	128	Total	311

Applications for the Extension of Scope

Another category of applications received by the ETQA are applications for extensions of scope in terms of learning programme approval. Providers accredited by the HWSETA apply for learning programme approval for qualifications or part qualifications they would like to offer additional to the ones they were accredited to offer.

These providers submit are referred to as primary providers. Provider accredited by other SETAs also apply for learning programme approval for qualifications or part qualifications they would like to offer additional to the ones they were accredited to offer.

These providers are referred to as secondary providers. The ETQA division succeeded to evaluate 101 learning programme applications for primary providers and 44 learning programmes for secondary providers. Statistics are tabled below:

CATEGORY OF ANALYSIS	NUMBER OF APPLICATIONS	
Total number of applications for extension of scope	209	
Number of applications for extension of scope as a primary provider	138	
	Number of applicants with approved LPE's	22
	Number of applicants with non-approved LPE's	79
	Number of applicants whose learning programmes are still being evaluated	37
Number of applications for extension of scope as a secondary provider	71	
	Number of applicants with compliant	9
	Number of applicants with not compliant	35
	Number of applicants whose learning programmes are still being evaluated	27

Learning Programme Evaluations

In the 2011/12 annual report the ETQA division reported to have no contracted experts to evaluate the learning programmes as the contracts of the previous experts had expired and could not be renewed. The year 2012 was a year of success as evaluators were solicited and contracted. HWSETA had an agreement with two universities to contract lectures as experts who would evaluate the learning programmes. These are the University of South Africa and the university of the Western Cape. Other independent experts were also solicited and contracted to evaluate the learning programmes.

From September 2012 there was a vigorous evaluation of learning programmes and as at 31 May 2013, 257 learning programme had been evaluated. This far exceeds the targeted achievement for the year 201/13 which was to evaluate 50 learning programmes aligned to full qualifications and 50 learning programme aligned to part qualifications (offered as skills programmes). Measuring the achievement against these target, 168 learning programmes aligned to full qualifications and 89 learning programme aligned to part qualifications (offered as skills programmes) have been evaluated.

Statistics of received and evaluated learning programmes per qualification/skills programme are tabled below:

LEARNING PROGRAMMES FOR PROVIDER ACCREDITATION AND EXTENSION OF SCOPE APPLICATIONS

Programmes to be evaluated	NQF Level	Total Number of Learning Programmes	Total Number of Learning Programmes Not yet Evaluated (at HWSETA office)	Total Learning Programmes with the evaluators	Evaluated Learning Programmes	Total Number of Applicants who Received Feedback
FETC : Social Auxiliary Work	4	5		5		
NC : Theology and Ministry FETC : Theology and Ministry	2 4	1				1
FETC : Social Security Administration	4					
FETC : Methods of Counseling HC : Basic Counseling Skills	4 5	10		2		8
NC : Victim Empowerment and Support NC : Victim Empowerment FETC : Victim Empowerment Coordination	2 3 4	24	8	7	9	
GETC : Ancillary Health Care	1	64	3	11	3	47
FETC : Gender Practice	4	3				3
FETC : Probation Work	4					
NC : Occupational Health, Safety and Environment NC : Occupational Health, Safety and Environment: Health NC : Occupational Health, Safety and Environment: Safety NC : Occupational Health, Safety and Environment: Environment NC : Occupational Hygiene and Safety FETC : Occupational Hygiene and Safety ND : Occupational Safety	2 2 2 2 3 4 5	7 11 4	1	1	6 11 3	

Programmes to be evaluated	NQF Level	Total Number of Learning Programmes	Total Number of Learning Programmes Not yet Evaluated (at HWSETA office)	Total Learning Programmes with the evaluators	Evaluated Learning Programmes	Total Number of Applicants who Received Feedback
FETC : Child and Youth Care Work	4	5				5
NC : Community Health Work	2	31		12	19	36
NC : Community Health Work	3	41		1	4	
FETC : Community Health Work	4					
HC : Diagnostic and Procedural Coding	5	2			2	
FETC : Institutionally based Car	4	1				1
FETC : Public Awareness, Promotion of Dread Disease and HIV and IDS	4	18		1		17
SHE: Awareness/Induction		21	3	1	1	15
SHE: Representative		30			2	28
SHE: Coordinator		8	2		1	5
SHE: Practitioner		7	1		1	5
HIV/AIDS Awareness		20				20
HIV/AIDS Peer Educator		7	2		1	4
HIV/AIDS Advanced Peer Educator		21	11	10		1
HIV/AIDS Counseling		19	10		1	8
FIRST AIDER		44	8	3		33
THOGOMELO Psychosocial Support for Community Care Givers						
TOTALS		404	48 (12%)	54 (13%)	45 (11%)	257 (64%)

This achievement has however been clouded by the unsuccessful rate of the outcome of the evaluation. From the 257 only 52 (20%) learning programmes were approved; and 205 (80%) learning programmes were not approved. This means 205 learning programmes will have to be re-evaluated. From these 178 learning programmes will have to be evaluated by external evaluators and only 27 can be evaluated internally.

OVERALL RESULTS OF THE LEARNING PROGRAMME EVALUATION

CATEGORY OF ANALYSIS	NUMBER OF APPLICATIONS	PERCENTAGES
Total number of results issued	257	100%
Approved learning programmes	52	20%
Not approved learning programmes	205	80%
Planning for the re-evaluation of non approved learning programmes	Re-evaluation: External 178 Internal 27	87% 13%

To circumvent this challenge of learning programme approval the board of the HWSETA approved for six qualifications to be developed. When completed, these learning programmes will be issued to all applicant providers who seek accreditation from the HWSETA.

The qualifications include the following:

QUALIFICATION ID	TITLE OF QUALIFICATION	NQF LEVEL	CREDITS
23993	FETC: Social Auxiliary Work	4	180
	FETC: Child and Youth Care Work	4	
74269	NC: Occupational Health, Safety, and Environment	2	120
79806	NC: Occupational Hygiene and Safety	3	144
79807	FETC: Occupational Hygiene and Safety	4	145
74410	FETC: Public Awareness Promotion of Dread Disease and HIV/AIDS	4	166

Re-accreditations, Satellite Campus Approvals and Site Validations

Site visits were conducted over three cycles. 74 re-accreditation site visits were conducted; 77 site validations; and 38 satellite campus approvals.

REGISTRATION OF CONSTITUENT ASSESSORS

Assessor Registration Status	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Registered	9	43	0	22	19	26	25	114	74	43	425	87	887
Reregistered	14	32	13	11	265	0	117	59	11			105	627
Grand Total	23	75	13	33	284	26	142	173	85	43	425	192	1514

Assessor Registration per Region	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Eastern Cape		8				1	7		12	6	6	9	49
Free state		7							4		9	9	20
Gauteng	14	8	10	25	186	25	119	111	43	36	301	37	915
KwaZulu-Natal		11			11		6	6	15		64	10	123
Limpopo		16		1	79			2	5	1	15	28	147
Mpumalanga		0		7				39			7	21	53
North West		8									11		19
Undefined											7		7
Northern Cape		6			8								14
Western Cape	9	11	3				10	15	6		5	78	137
Grand Total	23	75	13	33	284	26	142	173	85	43	425	192	1514

REGISTRATION OF CONSTITUENT MODERATORS

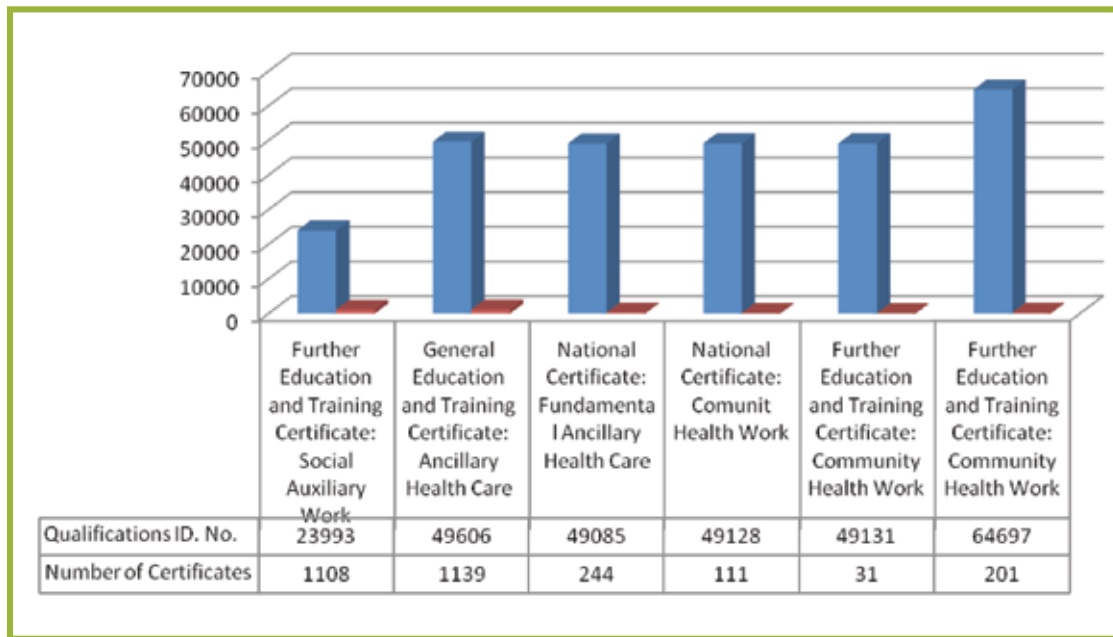
Moderator Registration Status	Grand Total 2011/2012	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total 2012/2013
Registered	162	18	13	Number of Moderators registered in June	30	144	22	48	98	45	18	71	85	592
Grand Total	162	18	13	0	30	144	22	48	98	45	18	71	85	592

Moderator Registration per Region	Grand Total	12-Apr	12-May	12-Jun	12-Jul	12-Aug	12-Sep	12-Oct	Nov	Dec	Jan	Feb	March	Total 2012/2013
Eastern Cape	0	0	0		0					4	3	5		12
Freestate	1	0	5		0					4			5	14
Gauteng	52	0	0		24	59	22	42	76	27	15	27	53	345
KwaZulu-Natal	1	0	1		0	5		6	6	9		23	18	68
Limpopo	60	0	0		0	80							6	86
Mpumalanga	3	0	0		6				11			7	3	27
North West	16	0	0		0							2		2
Northern Cape	28	0	0		0									0
Undefined														0
Western Cape	1	18	7		0				5	1		7		38
Grand Total	162	18	13	0	30	144	22	48	98	45	18	71	85	592

Verification of Learner Achievements

During the year under review we conducted site verification for learners who have completed their training.

We experienced challenges with learner upload and with the competence of training providers in linking the learners to the unit standards and full qualification. Another challenge is that not enough training providers have applied for verification. Historically the HWSETA captured the learner uploads and this functionality now rests with the training providers most of whom experience difficulties with the result that the HWSETA addressed the backlog and managed to catch up with the backlog by financial year-end with resultant certification of the learners.



Conclusion

Thank you to our stakeholders for their patience during the past year and willingness to co-operate as we put in place our strategies to address the bottle-necks and catch up on the backlogs within the ETQA division.

Thank you to our staff, from Head Office and from the Provinces, who put in long hours away from their families as they traverse the length and breadth of the country visiting our stakeholders.

RESEARCH INFORMATION MONITORING AND EVALUATION

The year in perspective



*Mr Sikhumbuzo Gcabashe
Executive Manager:
Research, Information,
Monitoring and Evaluation*

THE MAIN GOAL OF THE RESEARCH, INFORMATION, MONITORING AND EVALUATION DIVISION IS TO GENERATE HEALTH AND SOCIAL DEVELOPMENT SPECIFIC INFORMATION FROM THE HWSETA INTERNAL DIVISIONS AND EXTERNAL STAKEHOLDERS, PACKAGE THE INFORMATION FOR DISSEMINATION TO HWSETA STAKEHOLDERS AND THE PUBLIC.

The RIME Division focuses on the following objectives:

- Commission, manage and oversee research to inform Sector Skills Plan (SSP), and the work of other HWSETA;
- Monitor and evaluate the work of service providers and employers on training and development activities supported by the HWSETA; as well as
- Maintain the HWSETA Quality Management System (QMS).

The following is the performance of the RIME Division for the year under review.

A feasibility study on the decentralisation of functions of the HWSETA for a best service delivery model

The Health and Welfare Sector Education and Training Authority, commonly known as the HWSETA, has established four Provincial Offices to date to decentralise some of its functions and to be accessible to its stakeholders. This was carried out in fulfillment of the provincial footprint as required in NSDS I and II. The four existing and functioning Provincial Offices are:

1. Kwa-Zulu-Natal, Durban Office
2. Western Cape, Cape Town Office
3. Eastern Cape, East London Office; and
4. Limpopo, Polokwane Office

The above-mentioned offices have been rendering services to the HWSETA stakeholders with limited functions and human resources (namely Provincial Officers and Administrators) until recently when Provincial Officers were temporary promoted to Provincial Managers (East London, Cape Town and Polokwane Office) as the first step to capacitating these offices.

Furthermore, it must be noted that currently the final decisions and approval of processes reside with HWSETA officials at the Head Office. The influx of stakeholders to the Head Office has been evident over the past years as a result of the non-existence of HWSETA Offices in other provinces and also due to limited functions of the above-mentioned existing Provincial Offices.

Therefore, a need to capacitate the existing Provincial Offices in both functional areas and first line approvals and to expand HWSETA

offices. Consequently, a snap-shot survey was suggested to gain insight based on the following objectives:

- Determine functions that need to be put in place in the Provincial Offices to serve the HWSETA stakeholders efficiently
- Establish the current quality of service in the four existing offices with the aim of improving the HWSETA service delivery at provincial level
- Determine the pros and cons of decentralisation
- Ascertain the best model that can be adopted by the HWSETA

The physical decentralisation of the Health and Welfare SETA is evident through the establishment of provincial offices in KZN, Eastern Cape, Western Cape, and Limpopo. However, is the establishment of these offices adequate to the delivery of skills development interventions?

Perhaps much more fully functional provincial offices are needed where service delivery is going to be efficient and on time. Clearly, this report provided some indication that the physical presence of an institution at regional or provincial level is not sufficient if key functions reside at the head office. The literature reviewed and evidence presented suggests that decentralisation of resources should not only mean the presence of offices in provinces but at least key functions should be available for the best service delivery model.

Feasibility of distance learning for the Social Auxiliary Work qualification

This study was commissioned by the Health and Welfare Sector Education Training Authority (HWSETA) in its capacity as quality assurer for the Further Education and Training Certificate: Social Auxiliary Work (FETC: SAW). Two key research questions were presented for this study:

- Is the open and distance learning (ODL) mode a feasible option for the training of social auxiliary workers?
- What are the considerations for optimal implementation of the ODL mode for social auxiliary work training?

The HWSETA requested advice on the best model for the implementation of a distance learning programme for the FETC: SAW. The study included an analysis of the content of the current FETC: SAW qualification and learning programmes, a review of relevant legislation, government policies and other research and semi-structured interviews with

PROFILE OF THE HEALTH AND SOCIAL DEVELOPMENT SECTOR

THE HEALTH AND SOCIAL DEVELOPMENT SECTOR IS A HETEROGENEOUS SECTOR FALLING MAINLY UNDER THE SECTOR INDUSTRIAL CLASSIFICATION (SIC) CATEGORY 93. THE HWSETA HAS JURISDICTION OVER 60 SIC CODES AND EMPLOYERS BELONGING TO THE 60 SIC SECTORS ARE GROUPED INTO FIVE GROUPS:

- COMMUNITY SERVICES;
- COMPLEMENTARY HEALTH SERVICES;
- DOCTORS AND SPECIALISTS;
- HOSPITALS AND CLINICS; AND
- RESEARCH AND DEVELOPMENT INSTITUTIONS

offices to other provinces was necessary. The concept of decentralising the HWSETA functions needed to be a very thoughtful process and deserved a benchmark exercise with other SETAs that employ different models for their provincial and regional

stakeholders involved in social auxiliary work training including training providers, employers, learners, the South African Council for Social Service Professions (SACSSP).

Although this project was set out to look specifically at the offering of the FETC: SAW through distance education, the problems and challenges that were discovered in practice pointed to deficiencies in the qualification itself, in the quality assurance of the qualification, in the quality of training offered and in the funding of learners. None of these are specifically linked to a mode of instruction but they are issues that need to be addressed quite urgently across the spectrum of training offerings. Many of the issues also need to be addressed in the HWSETA itself.

ODL as mode of instruction lies on a continuum – leading to the blurring of the boundaries between residential training and ODL. The study found that there is no reason why the FETC: SAW cannot be offered through ODL – provided that ODL programmes contain a minimum amount of contact. This minimum should be clearly spelled out in detailed accreditation requirements.

The study showed that irrespective of the mode of instruction, there is a need for greater clarity on the content that needs to be covered in the training programmes. The qualification itself is vague – specifically on the fundamental components of communication and math. A lack of proper communication skills and language proficiency among learners are of the most serious challenges that training providers face - even though most of the learners already have a National Senior Certificate (NSC) when they enroll. A lack of communication skills and English language proficiency are also some of the most important criticisms that employers have against learners qualifying from the FETC: SAW. That means that the development of these skills needs to receive more attention in the training programmes.

Suggestions were made as to the improvement of training towards the FETC: SAW – for residential providers as well as providers who offer the programme through distance education. These include:

- Revisiting of the qualification itself with specific attention to the specification of the outcomes of the fundamental component of the training programme and the requirement that 70% of the training should take place in the workplace.
- Improvement of the quality assurance measures applied by the HWSETA and the

SACSSP

- Stronger guidance in respect of the curriculum and support to training providers in implementing the curriculum
- Improved funding mechanisms for the delivery of the qualification.

2012/13 Sector Skills Plan: Annual Update

Section 10 (1) (a) of the Skills Development Act No 97 of 1998 (as amended) requires each Sector Education and Training Authority (SETA) to develop a five-year Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS). SSPs are reports aimed at identifying skills needs (including skills shortages), as well as opportunities and constraints in utilising and developing skills aligned with government's skills development priorities. Specific aims of an SSP, as stated by the Department of Higher Education and Training (DHET), in its original guidelines are to:

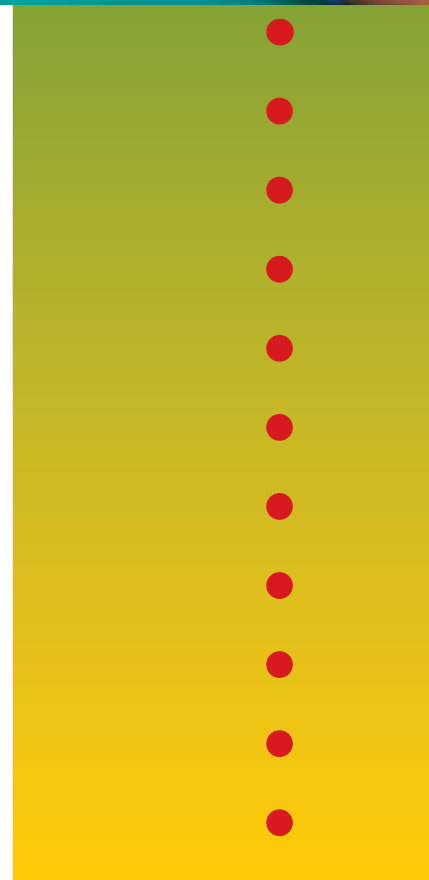
- Determine the skills development priorities following an analysis of the skills demand and trends and the supply issues within sectors;
- Identify a set of sector-specific objectives and goals that will meet sector needs, skills needs related to economic or industrial growth strategies, and scarce and critical skills needs;
- Identify strategies to address these objectives and goals for the sector;
- Identify activities that will support these strategies; and
- Resource these activities.

SETAs are required to update SSPs annually to cover the next five-year period. The updating of the SSP for the period 1 April 2013 to 31 March 2018 was done in phases and involved extensive desktop research, quantitative analysis of several databases, as well as personal interviews with key experts with in-depth sectoral knowledge.

Profile of the health and social development sector

The health and social development sector is a heterogeneous sector falling mainly under the Sector Industrial Classification (SIC) category 93. The HWSETA has jurisdiction over 60 SIC codes and employers belonging to the 60 SIC sectors are grouped into five groups:

- Community services;
- Complementary health services;
- Doctors and specialists;
- Hospitals and clinics; and





- Research and development institutions

Combined information from the databases referred to above indicate that an estimated 551 000 people were employed in the health and social development sector in 2012. Of these, 218 000 (40%) were employed in private sector organisations and levy-paying public sector organisations (referred to later as the “private sector”), while 332 400 (60%) worked in the public service departments. The private sector figures are underestimates of the total number of employees in the sector and exclude professionals not listed on any of the databases used, the non-professional support staff employed in the private professional practices, and employees in the non-levy-paying NPOs. Medical personnel employed by the South African National Defence Force (SANDF) are excluded from the public service figures.

Demand for health and social development services

Both the health and social development sectors are experiencing increased demand for services, and this applies to both the public and private sector components. Demand for PHC services is projected to increase by 25% between 2009 and 2013 while the bed occupancy rate at district hospitals is expected to increase by more than 20% between 2011 and 2014. Social welfare services are becoming more development orientated, with a focused strategy to serve vulnerable people in families and in communities. By March 2015, the number of grant beneficiaries is expected to reach 16.8 million. Foster care beneficiaries increased exponentially from 215 765 in 2000 to 421 883 in 2007 (or by 96%), and the number is projected to almost double again between 2008/09 and 2014/15, mainly as the result of the growing numbers of AIDS orphans and the strengthened capacity of courts to provide oversight under the Children’s Act 38 of 2005. In total 8.1 million children benefit from the school feeding programme and 7.1 million are exempt from school fees. The Department of Social Development has identified the need to promote national adoptions as a preferred mode of permanent placement of children, which entails an increase in the demand for social service professionals. The health and social development sectors are experiencing a growing need for services in the form of home- and community-based care for persons infected with and affected by HIV/AIDS.

Supply of skills in the health and social development sectors

A combination of complex factors influences the supply of skills to the health sector. At the heart of the problem are the number and quality of learners who complete high school. The secondary school system is producing fewer candidates with the combination of mathematics, physical sciences and/or life sciences required to enter tertiary-level studies in the health sciences. Quality standards of education in mathematics, physical sciences and life sciences are major supply-side constraints impacting on the skills of the health sector. Sub-standard levels of literacy and numeracy skills of school-leavers and their poor level of readiness for tertiary studies further reduce the supply pool.

Skills formation for the social development sector takes place via direct entry from school, after school via learnerships, and after completion of higher education. Volunteer workers may also enter the sector via EPWPs and via NPOs through informal training and work experience. Although “academic-stream” subjects such as mathematics and science at Grade 12 level do not present barriers to entry into the social development sector, the personal characteristics of learners in respect of well-developed communication skills, personal trustworthiness, and a desire to serve others are important.

HWSETA’s skills development priorities and programmes

Over the period 2013/14 to 2015/16 the HWSETA will make provision for mandatory grant funding of R 523.5 million and discretionary grant funding of R 260.1 million. The main goal of the HWSETA skills development programmes and projects is to provide skills to learners in the workplace in scarce and critical areas within the health and social development sector. Outcomes of the skills development interventions will be evaluated at three levels. Firstly, qualifications conferred and work experience gained will be assessed as low-level outcomes. Secondly, intermediate-level outcomes are linked to whether learners secure employment on a permanent basis. Thirdly, high-level outcomes of the interventions will be assessed in terms of sustainable livelihoods, healthy communities, and alleviation of poverty. In addition, the HWSETA is piloting RPL centres across the country focusing on Primary Health Care, Community Health Work and Ancillary

Health Care. These RPL centres work with FET Colleges and Nursing Colleges in their respective areas. This is another initiative that complements the HWSETA's skills development interventions.

The HWSETA's skills development programmes and projects will be implemented across four sub-programmes described below:

- Occupationally directed programmes
- Workplace based skills development
- Training initiatives for cooperatives, small enterprises, workers, NGOs and the community
- Capacity building for the public sector

Student progress report database

A pilot project aimed at uptake and monitoring of progress of learners in training, was firstly

initiated in the 2011/12 financial year and rolled out completely in 2012/13 financial year. The Student Progress Report Database enables monitoring of quality of training rendered by the HWSETA accredited training providers. Reports generated by the database provide the HWSETA with some indication of, amongst others, the number of students per province, municipality, gender, etc. enrolled with a particular training provider; time spent in classroom training and in the workplace; and the number of students who passed/failed assessments. The project encourages training providers to submit their monthly reports and this helps in tracking progression of learners. The information generated, also assist the HWSETA in planning validations and interventions where extreme situations are identified.

Tracer study on the training and learnership outcomes of HWSETA funded graduates

The overall objective of the study was to trace NSDS I and II graduates funded by the HWSETA in order to establish training and learnership outcomes in terms of employment opportunities. The study covered the period 2000 – 2012. The study also assessed whether or not the knowledge and skills imparted to graduates in the different learnership career pathways were sufficient to prepare them for jobs they were occupying and career mobility. Approximately, 676 participants believed that the skills that they acquired during training or learnership programmes helped them secure employment while another 410 were not affirmative on the same issue. In terms of percentages these results are insignificant. However, one should be mindful of the low response rate in surveys. Some students could not be tracked due to wrong addresses and/ or incomplete address or because they have moved from their initial residence to another.

In terms of whether the training received by participants was helpful in finding employment, responses varied possibly on 50/50 split. On the one pole, participants charged that the training they received was useful in the sense that they managed to get some job and certified qualification as shown in passages below:

"I like [it] because then I got employment; [It]Gave me skills to get employment; Gave opportunity to find work; Gave opportunity to gain qualification through structured learning programme".

A COMBINATION OF COMPLEX FACTORS INFLUENCES THE SUPPLY OF SKILLS TO THE HEALTH SECTOR. AT THE HEART OF THE PROBLEM ARE THE NUMBER AND QUALITY OF LEARNERS WHO COMPLETE HIGH SCHOOL. THE SECONDARY SCHOOL SYSTEM IS PRODUCING FEWER CANDIDATES WITH THE COMBINATION OF MATHEMATICS, PHYSICAL SCIENCES AND/OR LIFE SCIENCES REQUIRED TO ENTER TERTIARY-LEVEL STUDIES IN THE HEALTH SCIENCES.

On the other pole, participants were adamant that the skills acquired articulated into some employment or career mobility of some kind. A sense of frustration is registered in the pronouncements of most participants:

"[It] gave more information but no job;
[It] gave more skills but dislike to have no work;
[It] gave more skills but no new job I am still a care giver".

Most participants responded to this issue. Those who were affirmative were apt to affirm that the training they received helped them articulate successfully to their current jobs or careers. Meanwhile, those who were adamant about the usefulness of their training in terms of providing successful pathways to their jobs in post-training era were likely to show signs of ambivalence regarding their training.

The finding related to employment outcomes co-occur with student evaluations about issues of accreditation and issuing of certificates. This inferred relationship must be further interrogated in order to fathom employment and unemployment trends and career mobility. The response rate could also have affected the outcome of these results. At methodological level training providers and HWSETA need to capture and keep reliable data by continuously updating their databases as tracer and impact studies will only be possible if there is reliable data on student records.

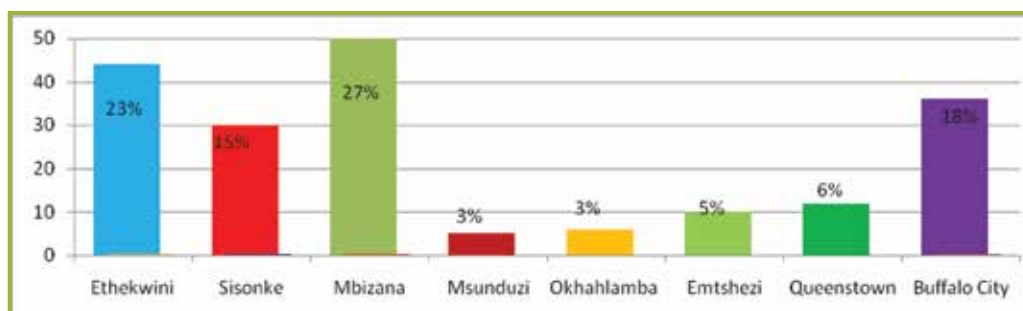
FOCUS GROUP MEETINGS WERE ARRANGED AROUND FIVE REGIONS IN THE EASTERN CAPE & KWAZULU-NATAL.

Broken learning pathways

Education and training providers are the main institutions that engage directly with learners. The Education and Training Quality Assurance (ETQA) regulations are essentially provided on the basis of compliance to SAQA regulations and the purpose of accrediting training providers is to ensure proper training and learning is implemented to bridge the skills gap.

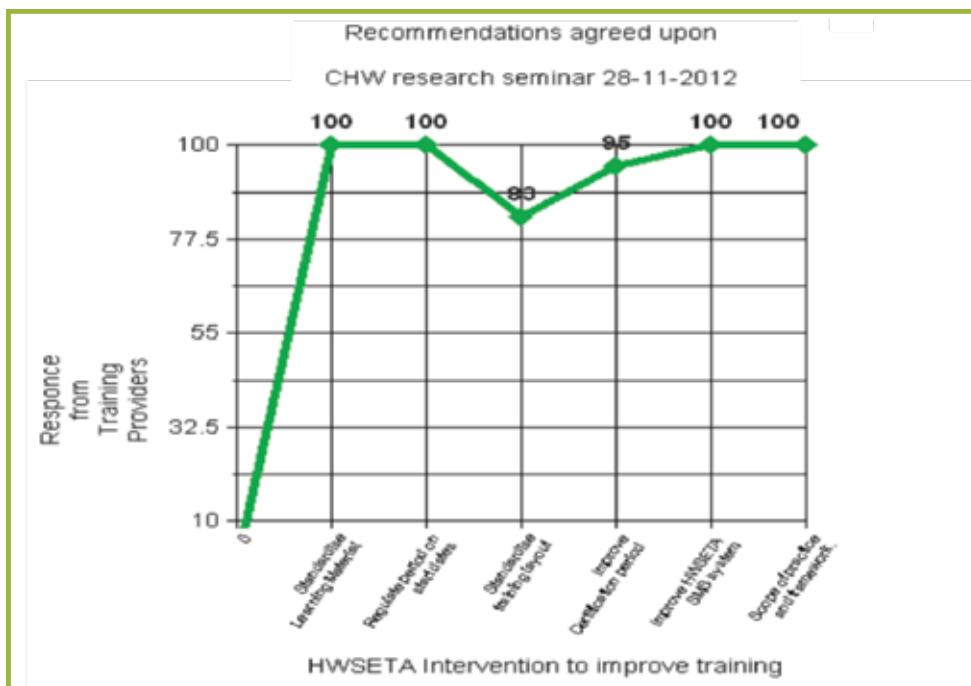
In 2007 HWSETA accredited Promise Health Care Centre to offer Ancillary Health Care NQF level 1 on the National Qualification Framework (NQF). Failure to comply with HWSETA-ETQA regulations landed the institution under extensive investigation. On the 01 March 2011, PHCC was de-accredited as it failed to comply in respect of the regulations. Below is the graph that indicates provinces visited to locate displaced learners

Number of learners per municipality



Focus group meetings were arranged around five regions in the Eastern Cape & KwaZulu-Natal. This was due to the fact that regional offices are located in those two provinces. A snowball sample exercise was used to locate learners. A total of 195 learners participated from eight municipalities listed on the graph above. Displaced learners will be taken on board on other learnership programmes; all funded employers in those regions will be requested to take from that pool of learners.

The seminar decided on common recommendations depicted on the graph below:

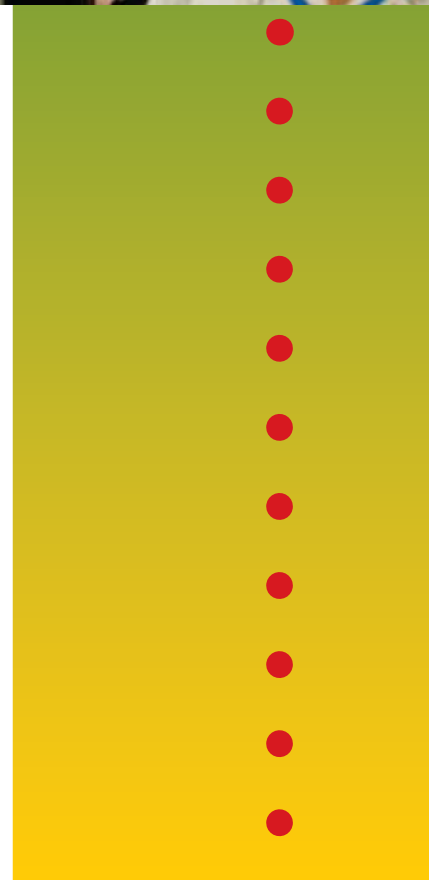


Research seminar on Community Health Work Level 4 Qualification

Research findings from the 2011-2012 financial year resulted to the outcome of a seminar arranged for all accredited providers in this qualifications. HWSETA used research to address major gaps on poor quality training and the discrepancies that led to challenges compromising proper implementation of training. Priority was given to crucial areas that should be rectified with immediate effect.

Training was of poor quality and workplaces were not capacitated. Learners had issues on lack of communication between Mentors and facilitators from the Training Provider's side. Training Providers had difficulty outsourcing workplaces for practical training. Training Providers were in agreement, s100 % of then indicated that HWSETA should standardise learning material, regulate training calendar with start and end date, improve the SMS system and develop scope of practice.

Consensus was that; training quality will improve on condition that the HWSETA controls provisions listed on the graph above. 85 % of providers feel HWSETA should control training lay out, so as to have a common training structure while remaining percentage was against the regulation. 95% raised concerns around the certification process indicating the delays from the HWSETA compromise their graduation schedules. HWSETA should act on the agreed upon recommendations.



CORPORATE SERVICES DIVISION



*Executive Manager: Bob Pardesi
Corporate Services
(Appointed 1.5.2013)*

A handwritten signature in black ink, appearing to read 'B. Pardesi', with a horizontal line underneath.

Divisional Goal and Objectives

The Corporate Services Division provides crucial support to the HWSETA and all the divisions with regard to the development and implementation its corporate strategy, policies and procedures, as well as the development and maintenance of systems. This contributes to the building of a work environment that is conducive to performance and ultimately service delivery. Specifically, the Corporate Service Division seeks to:

- a) Ensure that all HR policies and practices are aligned to the objectives and mandate of the HWSETA to facilitate and expedite delivery
- b) Ensure good quality of worklife by providing offices at Head Office and provincial level
- c) Ensure effective communication with all stakeholders and role players
- d) Use IT systems to expedite delivery

The Corporate Services function is an enabler for the HWSETA to discharge its mandate thus ensuring adequate capacity (skills, human asset) and capability (systems, procedures, policies)

Human Resource Management HWSETA

Staffing as at the end of the reporting period shows 77.429% (72) of the approved 93 positions were filled. Critical positions were prioritised taking into consideration operational requirements and limitations such as office space and budget. The employment equity profile of staff is 93.06% black, 72.27% female and 6.94% disabled. The labour turnover rate is 2.7% which is acceptable.

Remuneration is based on a CTC approach. Salaries are informed by the market, job grade and bands. No abnormalities are noted.

Footprint

The HWSETA is making an effort to take the services to the people by adding capacity on the already approved provincial offices. Basic and other key services will be delivered in the provinces and identified FET offices in the next financial year.

Table 19: Staff profile as at 31 March 2013

Position	African			Coloured			Indian			White			Total		
	M	F	D	M	F	D	M	F	D	M	F	D	M	F	D
CEO		1												1	
Executive Managers	2						1				1		3	1	
Legal Advisor		1												1	
Managers	2	2					1	2					3	4	
Skills Development Technical Advisor	1				1								1	1	
Coordinator	2	2											2	2	
Accountant															
Officers		10			1						2		0	13	
Technician	1												1		
Evaluator		1												1	
Secretaries		4						1			1			6	
Board Administrator											1			1	
Administrators	5	14	1	2	2	1		1	1				7	17	3
Payroll Administrator	1												1		
Receptionist	1	1											1	1	
Driver	1												1		
Total	16	36	1	2	7	1	2	4	1	0	5	0	20	52	3
Total Staff Complement as of 31 March 2013							72								
Total Vacancies in accordance organogram, as of 31 March 2013							21								
Percentage approved positions filled as of 31 March 2012							77.42%								

M=male; F=female; D=person with a physical disability



THE TARGET SET FOR THE FINANCIAL YEAR 2012/2013 WAS PARTICIPATION IN NINE EXHIBITIONS, I.E. ONE PER PROVINCE. A TOTAL OF 63 CAREER EXHIBITIONS WERE ATTENDED DURING THE FINANCIAL YEAR UNDER REVIEW. THE EXHIBITIONS RANGED FROM INDUSTRY SPECIFIC, TO COMMERCIAL EXHIBITIONS AND CAREER EXHIBITIONS IN REGIONAL CENTRES, RURAL AREAS AND PERI-URBAN AREAS.

Head Office

17 Bradford Road
Bedfordview
2047
011-607-6900

Polokwane Provincial Office

IGS Building
5085/16 Watermelon Street
Ground Floor Office
Tel:+27(015) 297 2313
Durban Provincial Office
300 Smith Street
Mutual Mall, 11th Floor
Durban
Tel:+27(031) 301 0223

Cape Town Provincial Office

2 Old Paarl Road
Sunbel Building,
8th Floor | Bellville
Cape Town
Tel: +27 (021) 945 3021

East London Provincial Office

3rd Floor,
Standard Bank Building
Oxford Street
Tel: (043) 743 6075, Fax: (043) 722 0119

MARKETING AND COMMUNICATION

The Marketing and Communications Subdivision continued with its responsibilities which are:

- a) to ensure positive market position of the HWSETA and
- b) to publicise its mandate and performance.

The commitment of the subdivision to effective communication with all stakeholder groups is evident in its professional and pro-active marketing, communication and information service. Hence its focus is on:

- a) Implementing an effective media campaign
- b) Increasing stakeholder awareness of the HWSETA's services with particular focus on semi-rural and rural areas.
- c) Addressing relevant findings of the stakeholder perception survey

Achievements

The following are the achievements of the subdivision for the year under review:

Print media and radio

Advertorials and advertisements focusing on health and social development issues

were placed in newspapers/magazines and annuals during the period under review. In an effort to elicit actions from target audiences, the subdivision ensures that the printed communication remains effective, cost-efficient and powerful in delivering messages.

Radio Talk Shows were conducted over nine weeks (every Friday evening) on Maputaland Community Radio Station situated in northern Kwa-Zulu Natal. The purpose of these shows was to create awareness in the rural areas of Kwa-Zulu Natal.

Exhibitions

The target set for the financial year 2012/2013 was participation in nine exhibitions, i.e. one per province. A total of 63 Career Exhibitions were attended during the financial year under review. The exhibitions ranged from industry specific, to commercial exhibitions and career exhibitions in regional centres, rural areas and peri-urban areas.

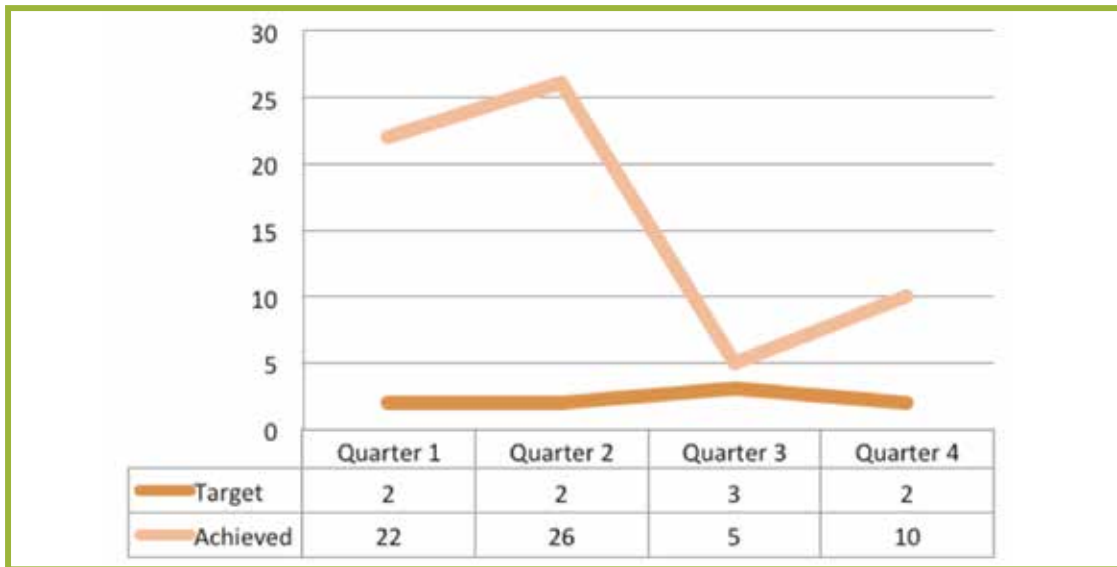
The subdivision concentrated on rural areas and Presidential Nodal areas which included among others:

- Manguzi in KwaZulu Natal
- Sekhukhuni in Limpopo
- Lusikisiki in Eastern Cape
- Senekal in Free State
- Mtubatuba in KwaZulu Natal
- Taung in North West
- Uitenhage in Eastern Cape
- Qumbu in Eastern Cape
- Libode in Eastern Cape
- Umgeni in KwaZulu Natal
- Impendle in KwaZulu Natal
- Umsunduzi in KwaZulu Natal
- Kwa-Mhlanga in Mpumalanga
- Qwaqwa in Free State
- Modderspruit in North West
- Upington in Northern Cape
- Nkandla in KwaZulu Natal
- Khayelitsha in Western Cape
- Lingelihle in the Eastern Cape
- Richard's Bay in KwaZulu Natal
- Mitchell's Plain in Western Cape

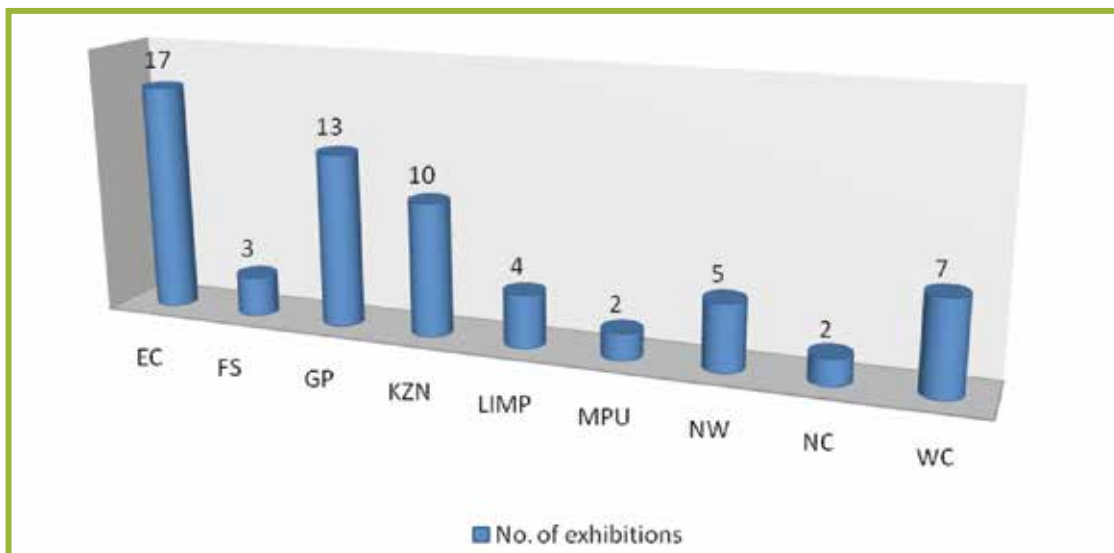
Over-Achievement

This was due to the plethora of career guidance events organized at ministerial level (different ministries) as well as non-governmental organisations and Premier's Offices in most provinces of which we had not been aware until sometimes days before the events. We were anxious to comply with NSDS III and create awareness of careers within the sectors as much as was possible.

Graph 1: Target versus achieved Exhibitions per quarter



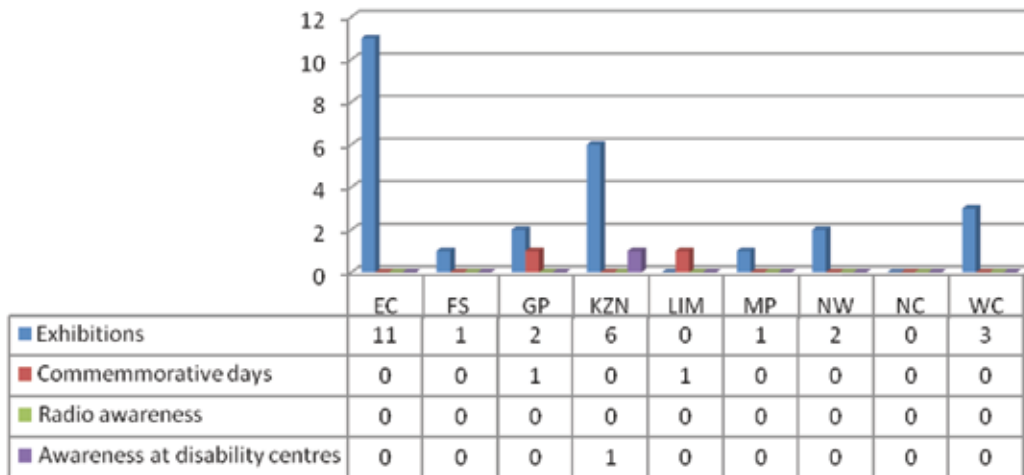
Graph 2: Number of Exhibitions attended per Province



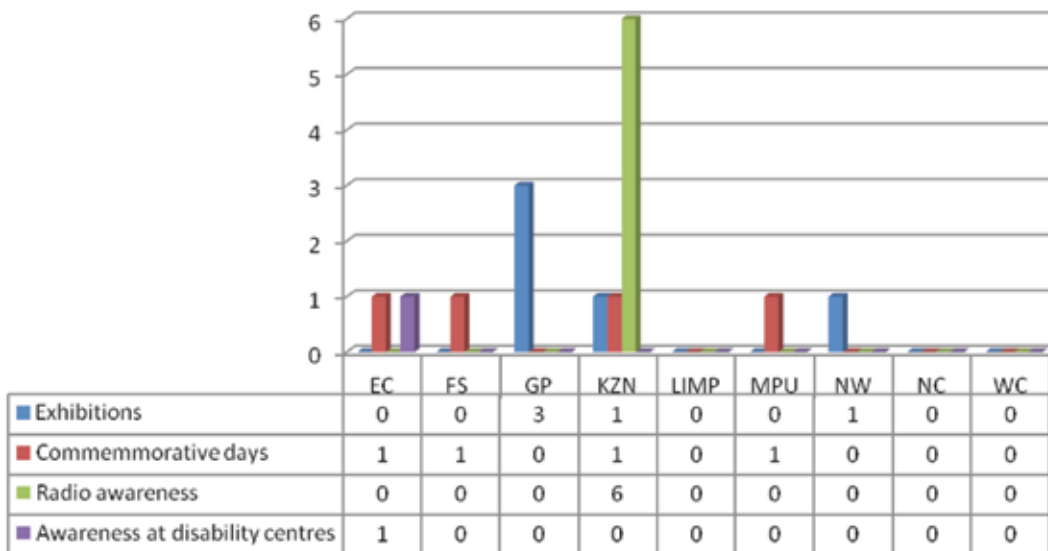
Frequency of Marketing & Promotional activities per Province per quarter:



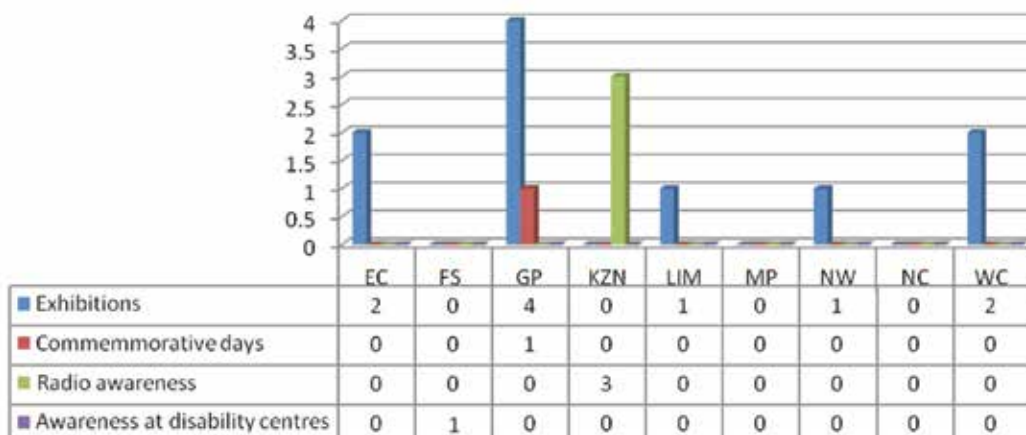
QUARTER 2: Marketing and promotions



QUARTER 3: Marketing promotions events



QUARTER 4: Marketing and promotions



Events/Special Days

Ten events to commemorate/celebrate special days/months were held during the period under review. These included:

- International Nurses Day celebrated in Polokwane and hosted by HOSPERSA;
- The Youth day (June 16) commemorated in Upington (hosted by Oasis Skills Development Centre for People with Disabilities) and INkandla (hosted by a Sithandiwe Vocational School for Disabled Youths)
- Mandela Day celebrated in North West, Taung and Kwa-Zulu Natal, Kwa-Msane (Career Exhibitions), HWSETA distributed 50 food parcels to deserving families in Orange Farm, Inner City of Johannesburg and Thokoza together with a non-governmental organisation.
- Women's Month was celebrated in Parktown, Gauteng at a workshop which was conducted with 27 NGOs;
- Casual Day was celebrated as well as Bosses Day and Secretaries Day.
- World Aids Day was held in partnership with Tokologo Municipality, Free State;
- World Disability Day was celebrated in Michausdal and Lingelihle in Cradock together with the Department of Health, the Department of Social Development and the Department of Education; The events were hosted by the HWSETA and took the form of a Sports Day in the morning followed by a formal event in the afternoon for 200 people with Disabilities
- 16 Days of Activism: Victim Empowerment workshop conducted in Thembisile Hani Municipality, Kwaggafontein, Mpumalanga, over ten NGOs attended; co-hosted with the Victim Support from the SAPS.
- World Alzheimer's Day was co hosted together with a co-operative at a former chicken farm in Maandagshoek, Sekhukhune, Limpopo, attended by over 500 community members.
- Human Rights Day was celebrated in Potchefstroom with a focus on attendance by non- governmental organisations and presentation of a wheelchair to a 15 year old boy from a deeply rural area near Marikana mine. The wheelchair was sponsored by the Rotary Club of Orkney.

In addition to events and special days, the subdivision has undertaken to visit one centre or school catering for persons with disabilities in each province in the financial year under review. The following schools were visited to raise awareness of the HWSETA:

- Oasis Skills Development centre situated in Upington, Northern Cape which caters for 87 persons with disabilities from outlying areas in Upington, Northern Cape.
- Fundisa Special School situated outside King Williams Town, Eastern Cape. The school caters for 197 learners with disabilities.
- Mason Lincoln Special School situated in Umlazi, south of Durban, Kwa-Zulu Natal. The school caters for 228 students with physical disabilities between the ages of seven to 24 years.
- Lukhanyo Adult Centre, Cradock (Lingelihle)
- Centre for Disability in Malebogo (Free State)

The Annual General Meeting (AGM) was held in Kimberley on 25 October 2012 attracting over 150 stakeholders. Our venue was the Legislature in Galeshewe. Non-Governmental Organisations from nearby Douglas and from as far afield as Upington attended in large numbers as well as our stakeholders from all over the country.

Publications

a) Printing of publications and newsletters was on-going, as was the maintenance of the HWSETA website. Together with the SDP and RIME divisions, the subdivision produced a 32 page Career Guide which was widely distributed at exhibitions and events. Two versions of a booklet entitled 'A Guide to Employing People with Disabilities' was distributed at major stakeholder events during the year under review.

b) Electronic newsletters were sent out monthly from April 1, 2012 to March 31, 2013 and four quarterly printed newsletters were produced.

INFORMATION TECHNOLOGY (IT)

Systems Development

There was a need to design and develop a Student Progress System. The main objective of this consultancy was to formulate and develop comprehensive Student Progress System Action Plans to improve RIME quarterly monitoring report needs. Terms of Reference were populated and the SDLC (System Development Life Cycle) was followed as a framework to govern the development of the system.

Call Logging System

The development of the Call Logging System (CLS) was successful. CLS was used internally by ICT Division to register all ICT related queries from Internal and External stakeholders.

The IT division is developing a system to manage stakeholder relations. The CQS (Customer Query System) is used to track and record customer (stakeholder) complaints, queries and enquiries. Reports are generated and submitted to the relevant division for attention.

Business Analyst

A Business Analyst was appointed to analyse the ERP application requirements for HWSETA. It is envisaged that the development and implementation of our IT system will be concluded in the next financial year.

Two IT Interns were appointed and commenced the one year internship programme on 25 June 2012.

Server Virtualization

The Server Virtualization Technology project was approved and the project plan was developed and completed successfully. The HWSETA now has a fully fledged and functional network infrastructure.

FINANCE DIVISION



Elaine Brass
Chief Financial Officer



THE HWSETA HAS ACHIEVED DESIRABLE RESULTS WITH ITS EFFORTS TO ENSURE A SOUND INTERNAL CONTROL ENVIRONMENT, GOOD GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT. THIS IS EVIDENT AS THE ENTITY HAS ACHIEVED AN UNQUALIFIED AUDIT REPORT SINCE 2007-2008.

FINANCIAL OVERVIEW

The Finance Division’s responsibility is to design and implement financial controls that ensure good financial governance, in compliance with relevant laws and regulations and financial viability of the HWSETA, as well as ensuring that funding is optimally used to drive the attainment of the strategic requirements.

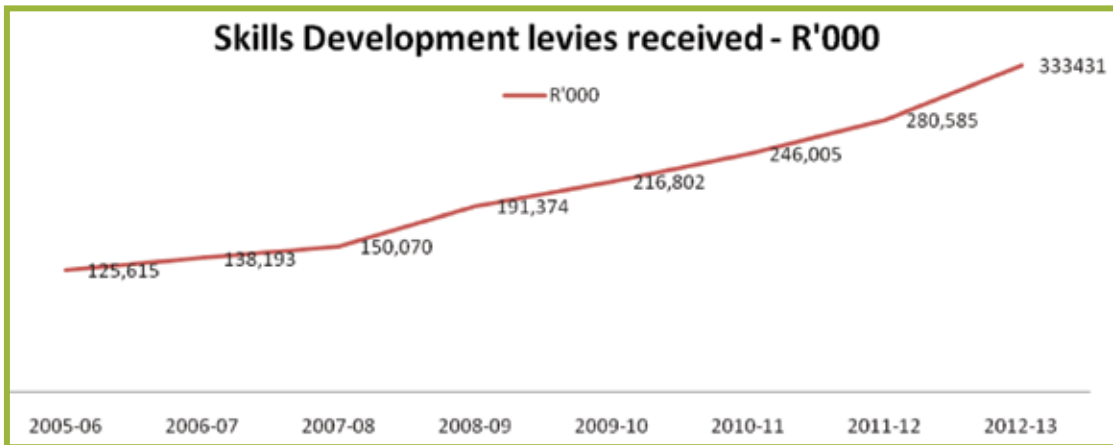
Administration Income and expenditure

Description	2012/13	2011/12	Variance	Variance - %
Administration Revenue	R36.317mil	R29.427mil	R6.89 mil	23%
Government Levies Received	R48.361mil	R48.122mil	R0.239 mil	0.5%
Administration Expenditure	R64.941mil	R58.701mil	R6.240mil	11%

We have contained administration expenditure within the allocated revenue allowed for this expenditure.

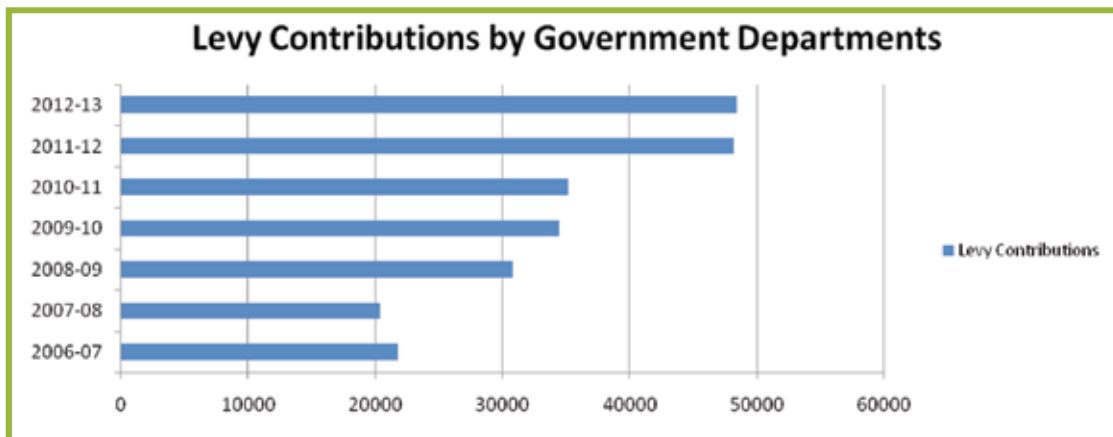
Income

Skills development revenue increased by 19% (13% - 2012) from last year. This is mainly attributable to general increases in salaries in the sectors. Skills development income was 18% higher than budget for in the 2013 financial year.



Government Levy Income

The HWSETA collected R48.3 million in government levies which was more than what was budgeted for. This continued support by the government departments assists the HWSETA to defray administrative expenditure and offer a better service to the sector.

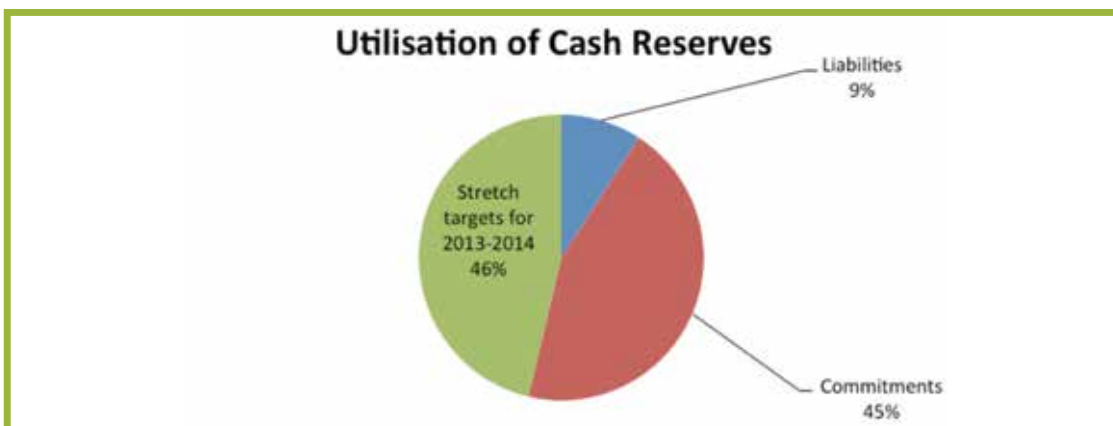


Interest Income and Cash Reserves

The HWSETA earned interest income of R22 million in 2013, which is high as a result of large cash reserves held during the year. Of the cash reserves of R624 million, R278 million has been committed for discretionary skills development projects. The balance of this cash will be utilised as follows:

- Payment of liabilities at 31 March 2013 of R56 million
- Funding of stretch targets for 2013-2014 – R290 million

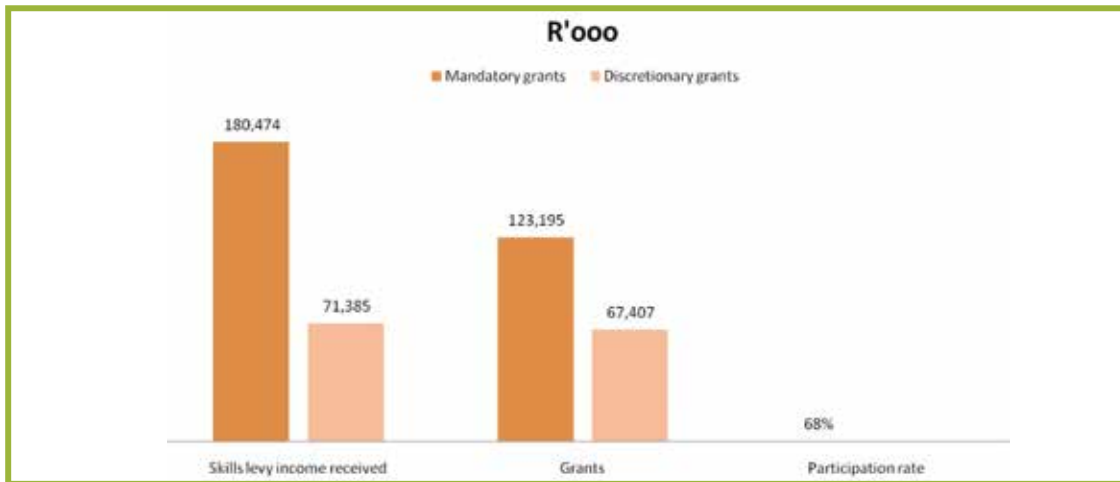
The HWSETA has cash funds in three of the major commercial banks of SA as approved by the National Treasury and in line with its investment policy. Surplus funds are held by the Corporation for Public Deposits (CPD). All interest earned on these funds are utilised for discretionary grant funding only.



Expenditure

HWSETA's expenditure for the 2012/13 financial year was 9% lower than budget, resulting in a surplus from administration of R21 million.

This Administration expenditure of R65 million was 11% higher than the previous year mainly as a result of increases in salary costs, internal audit costs, consulting and legal costs. Administration costs were kept low through cost effective spending and strict budgetary controls. Of the total expenditure, R190 million was spent as grant disbursements, R123 million on Mandatory grant payments (2012- R88 million) and R67 million for discretionary projects (2012- R58 million).



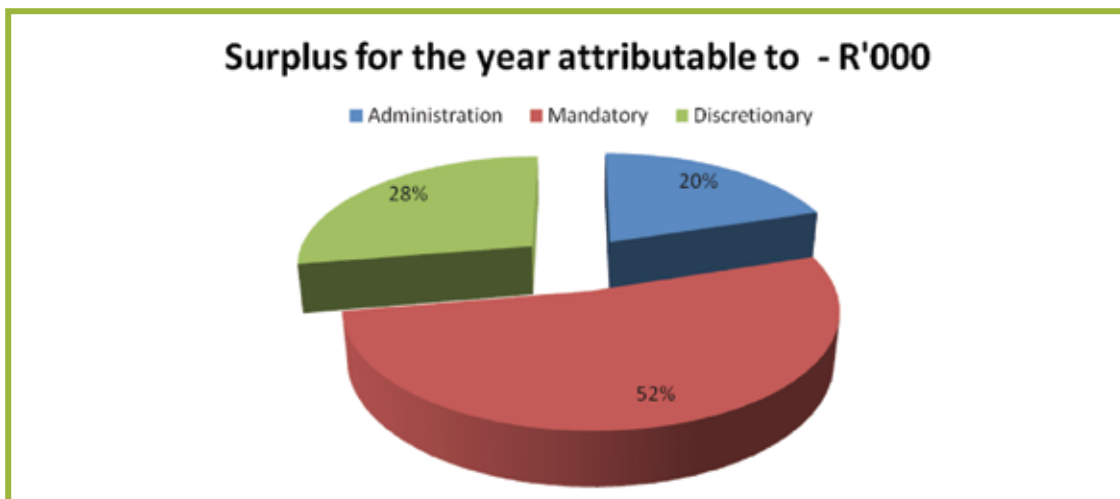
De-commitments

In the current financial year under review, there were significant de-commitments to learnership funding. This was mainly due to employers not taking up the allocated funding to them. All funding awarded to employers are conditional that the learners are offered permanent employment at the end of the training.

The HWSETA continues to ensure the maximum use of discretionary grant reserves by committing these funds to focused discretionary projects. Discretionary grant funding is only disbursed after strict conditions of funding are met. This also results in de-commitments as some employers are not able to fully meet the conditions of funding.

Surplus for the year

The HWSETA Statement of Financial Performance showed a surplus of R106 million of which R21 million (2012- R19 million) related to administrative surpluses, R55 million to Mandatory grant surpluses and R30 million in respect of discretionary grants surplus. The HWSETA paid out 68% (2012:61%) of employer grant income in mandatory grants. The HWSETA strives to increase employer participation by improving communication and assistance through workshops.



Accumulated reserves and Bank balances

The HWSETA had discretionary reserves of R573 million (2012- R466 million) as at 31 March 2013, of which R278 million has been committed to the funding of discretionary projects at year-end. The HWSETA had a cash bank balance of R624 million at 31 March 2013.



Policies

All HWSETA policies and procedures are designed and approved to be in line with South African Generally Accepted Accounting Practice (SAGAAP), Generally Recognised Accounting Practice (GRAP), The PFMA and Treasury Regulations. Finance policies are annually reviewed for relevance, changes in legislation and changes in statements of GRAP and SAGAAP.

Financial Management

In executing its annual business plan the HWSETA remains committed to sound financial management, good governance and compliance with the PFMA and Treasury Regulations. The annual business plan is developed from an extensive budgeting process. The Finance division strives to maintain good budgetary control over the collection of income and the efficient use of funds.

Analysed financial results against budget are reported to the Executive Committee, Executive Management, the Finance Standing committee and the Board on a regular basis for review and comment. In addition, Quarterly Financial reports are submitted to the Board and the Department of Higher Education and Training.

Supply chain management

There is a Supply Chain Management Unit within the Finance Division as required by the Treasury Regulations, and is headed by the Supply Chain Manager. The division operates in line with the Supply Chain Management Act, Treasury Regulations and HWSETA policies, to ensure fair, equitable, transparent, competitive and cost effective procurement of goods and services.

During the 2012/13 financial year the HWSETA awarded tenders for procurement of the following goods and services:

- Advertising
- Travel Agency
- Internal Audit

Conclusion

Finance staff remain committed to service and accurate financial reporting, and get the job done resulting in the division achieving its objectives for the year. A sincere thank you to them as well as the divisions we are reliant on in order to fully achieve. Only as a team can we achieve.



SECTION 7

REPORT OF THE HEALTH AND WELFARE SETA AUDIT COMMITTEE

WE ARE SATISFIED THAT THE INTERNAL AUDIT FUNCTION HAS OPERATED EFFECTIVELY AND THAT IT HAS ADDRESSED THE RISKS PERTINENT TO THE HEALTH AND WELFARE SETA IN ITS AUDITS. WE BELIEVE THE INTERNAL AUDIT HAS CONTRIBUTED TO THE IMPROVEMENT OF INTERNAL CONTROLS WITHIN THE HEALTH AND WELFARE SETA.

AUDIT COMMITTEE

Report of the Health and Welfare SETA Audit and Risk Committee for the financial year ended 31 March 2013

Mr V Magan

Chairman of the Health and Welfare SETA Audit and Risk Committee



Mr V Magan
Chairman of the Audit and Risk Committee



AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE:

The Audit and risk Committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 5 meetings, including special meetings were held.

Audit, Risk and Governance Committee

Members	Number of Aucom, and related meetings attended
Mr Viren Magan • Chairman, Independent member	5
Mr Nick Nicholls • Independent member	5
Mr Zola Fihlani • Independent member	3
Mr Pat Motubatse • Board member	3
Mr Derek Shardlow • Board member	5

WE ARE PLEASED TO PRESENT OUR REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013.

Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 51(1)(a) of the Public Finance Management Act, No. 1 of 1999 and Treasury Regulation 27. We further report that we conducted our affairs in compliance with this charter.

The effectiveness of internal control

The system of internal control applied by the Health and Welfare SETA over financial management is effective, efficient and transparent. There were findings reported by the Auditor-General of South Africa on Performance Information and Management. These were noted for appropriate corrective action to be taken by Management and the Authority. In line with the PFMA and the Treasury Regulations, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, we noted that no matters were reported that indicate any material deficiencies in the system of internal control



or any deviations there from. An updated formal risk assessment was undertaken by Health and Welfare SETA for the year ending 31 March 2013. Consequently, Internal Audit used this data to prepare the 3 year rolling strategic plan and the annual operating audit plan. The Committee monitored the significant risks faced by Health and Welfare SETA and is satisfied that these risks were managed to an acceptable level. Health and Welfare SETA implemented a risk management strategy which includes a fraud prevention plan. We acknowledge that the findings raised by the Auditor-General South Africa for the last financial year end have been satisfactorily resolved.

Management is committed to addressing the issues raised by the Internal Auditors and external auditors and this follow up report is reviewed by the Committee during its meetings. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Internal Audit

We are satisfied that the Internal Audit function has operated effectively and that it has addressed the risks pertinent to the Health and Welfare SETA in its audits. We believe the Internal Audit has contributed to the improvement of internal controls within the Health and Welfare SETA.

Corporate Governance

We are of the opinion that Health and Welfare SETA continues to strive towards applying sound principles of corporate governance. Submission of quarterly reports in terms of the Public Finance Management Act.

As per our discussions with management, management confirms that the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Health and Welfare SETA during the year under review were properly formulated and have complied with the PFMA in this regard.

Evaluation of the Audited Annual 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 Auditor-General South Africa and the Accounting Officer;
- reviewed the Auditor-General's management letter and management's

response thereto;

- reviewed changes in accounting policies and practices; and
- reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General South Africa.

Appreciation

The Audit and Risk Committee expresses its sincere appreciation to the Accounting Authority Officer, Senior management team, Internal Audit and the Auditor -General South Africa for their co-operation towards us achieving the requirements of our Charter as mandated.

IN MY OPINION, THE FINANCIAL STATEMENTS PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE FINANCIAL POSITION OF THE HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY (HW SETA) AS AT 31 MARCH 2013, AND ITS FINANCIAL PERFORMANCE AND CASH FLOWS FOR THE YEAR THEN ENDED IN ACCORDANCE WITH THE SA STANDARDS OF GRAP AND THE REQUIREMENTS OF THE PFMA.

REPORT OF THE
AUDITOR-GENERAL
TO PARLIAMENT ON
THE HEALTH AND
WELFARE SECTOR
EDUCATION AND
TRAINING AUTHORITY



REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Health and Welfare Sector Education and Training Authority (HW SETA) set out on pages 103 to 140, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's Responsibility for the Financial Statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standard of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act, 1998 (Act no. 97 of 1998)(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.

Auditor-General's Responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standard on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Health and Welfare Sector Education and Training Authority (HW SETA) as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the PFMA and SDA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

PREDETERMINED OBJECTIVES

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 20 to 39 of the Annual Report.

9. The report performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information (FMPPPI).

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

10. The material findings are as follows:

USEFULNESS OF INFORMATION

Performance targets not specific

11. The National Treasury FMPPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 23% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the FMPPPI but did not receive the necessary training to enable application of the principles.

Performance targets not measurable

12. The FMPPPI required that performance targets be measurable. The required performance could not be measured for a total of 23% of the targets. This was due to the fact that management was aware of the requirements of the FMPPPI but did not receive the necessary training to enable application of the principles.

Reliability of information

Reported performance not reliable

13. The FMPPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

14. The information presented with respect to programme 5 was not reliable when compared to the source information and/or evidence provided. This was due to the lack of monitoring of the completeness of source documentation in support of actual achievements and frequent review of validity of reported achievements against source documentation.

Additional matter

15. I draw attention to the following matters below. These matters do not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

16. Of the total number of 111 targets planned for the year, 28 of the targets were not achieved during the year under review. This represents 25% of total planned targets that were not achieved during the year under review as reported in the SETA's annual performance report. Refer to the annual performance report disclosures made regarding non-achievement.

Material adjustments to the Annual performance report

17. Material misstatements in the annual performance report relating to the consistency between the strategic plan and the performance report were identified during the audit, all of which were subsequently corrected by management.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

Internal control

19. I considered internal control relevant to my audit of the financial statements, HW SETA performance report and compliance with laws and regulations. The matters reported below under the fundamentals of the internal control are limited to the significant deficiencies that resulted in findings on the

HW SETA performance report included in this report.

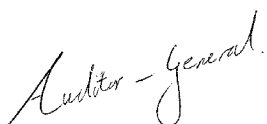
LEADERSHIP

20. Internal controls and review measures are not adequate to ensure that information reported is complete and reliable with regard to predetermined objectives.

FINANCIAL AND PERFORMANCE MANAGEMENT

21. The entity did not select and develop internal controls to ensure that strategic performance targets recorded in the strategic plan are specific and measurable.

22. The entity did not have a proper system of record management that provides for the maintenance of information that supports the reported performance contained in the annual performance report. This includes information that relates to the collection, collation, verification, storing and reporting of actual performance information.



Pretoria
31 July 2013





SECTION 9

ANNUAL FINANCIAL STATEMENTS

- *Report of the Accounting Authority*
- *Statement of Financial Performance*
- *Statement of Financial Position*
- *Statement of Change in Net Assets*
- *Cash Flow Statements*
- *Notes to the Annual Financial Statements*



*Ms Yvonne Mbane
Chief Executive Officer*



*Ms Nozipho January-Bardill
Chairman of the Board*

THE ACCOMPANYING ANNUAL FINANCIAL STATEMENTS HAVE BEEN PREPARED ON THE GOING-CONCERN BASIS AS THE HWSETA REMAINS FINANCIALLY STRONG AND VIABLE.

GOVERNMENT DEPARTMENTS HAVE MADE REGULAR PAYMENTS SINCE 2002/03, AND AS SUCH THERE IS NO INDICATION THAT THERE WILL BE A REDUCTION OR DISCONTINUANCE OF GOVERNMENT LEVY CONTRIBUTIONS.

REPORT BY THE ACCOUNTING AUTHORITY TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

General Review of the State of Affairs

HWSETA followed the regulated process for the appointment of the new CEO.

Going Concern

The accompanying Annual Financial Statements have been prepared on the going-concern basis as the HWSETA remains financially strong and viable.

Reliance on Government Levy Income

Paragraph 30 of the Skills Development Regulations states that public service employers (National and Provincial departments of Health and Social Development) must budget for training their employees but may contribute levies to a SETA. The mandatory contribution of levies by Government Departments was confirmed by Cabinet Memorandum 67 of 2000, dated 22 November 2000. The HWSETA signed official MOUs with these Departments to confirm their commitment to the payment of mandatory contributions to the HWSETA. In addition, Government Departments have made regular payments since 2002/03, and as such there is no indication that there will be a reduction or discontinuance of government levy contributions.

HWSETA Constitution

The HWSETA has a new Constitution effective 1 April 2011 in line with the appointment of the new Board. In November 2012 an amended constitution was signed with the Minister of Higher Education and Training to be in line with the Skills Development Act as amended.

Appointment of CEO

The position of the Chief Executive Officer, which remained vacant since November 2011 due to the expiration of the employment contract of the previous CEO, was filled on 1 September 2012 by Ms Yvonne Mbane. The

From 1 April 2013, a new Cabinet Memorandum, Cabinet Memorandum No 53 of 2012, came into effect where all departments must contribute 30% of their training budget to the relevant SETA. The contribution will be utilised as follows:

10%	Administration of the HWSETA
20%	Discretionary grant funding

In the current year we received 10%, utilised for the administration of the HWSETA (Refer to note 23 of the Annual Financial Statements). The Grant Regulations have been amended and was effective 1 April 2013. These regulations will bring about a significant change in the way grants are utilised. The following is a summary of some of the significant changes:

	New Grant Regulations, 1 April 2013	Current Grant Regulations
Mandatory Grant funding	20% of total skills levies	50% of total skills levies
Discretionary Grant funding	49.5 of total skills levies	20% of total skills levies
Administration funding	10.5% of skills levies (0.5% for finding of QCTO)	10% of skills levies
Discretionary funding	80% of the available 49.4% is to be utilised for Pivotal funding	Funding is at the discretion of the HWSETA
Research	Funded from administration funding	Funded from discretionary funding
Surplus	SETA can only retain 5% for future spending	Can retain full surplus after application to roll-over from National Treasury
WSP submissions	30 April (from 2014)	30 June each year

Administration Income and expenditure

Description	2012/13	2011/12	Variance	Variance - %
Administration Revenue	R36.317 mil	R29.427mil	R6.84 mil	23%
Government Levies Received	R48.361 mil	R48.122mil	R0.239 mil	0.5%
Administration Expenditure	R64.941 mil	R58.701mil	R6.24 mil	11%

Accumulated reserves and Bank balances

The HWSETA had discretionary reserves of R573 million (2012- R466 million) as at 31 March 2013, of which R278 million has been committed to the funding of discretionary projects at year-end. The HWSETA had a cash bank balance of R624 million at 31 March 2013.

Surplus for the year

The HWSETA's Statement of Financial Performance showed a surplus of R106 million of which R21 million (2012- R19.4 million) related to administrative surpluses, R55 million to Mandatory grant surpluses and R30 million in respect of discretionary grants surplus.

The HWSETA paid out 68% (2012: 61%) of employer grant income in mandatory grants. The HWSETA strives to increase employer participation by improving communication and assistance through workshops.

Corporate Governance and Internal Control

Audit, Risk, Governance, IT and Remuneration Committee

The Audit and Risk Committee is established and comprises of three independent members and two Board members. The committee is advisory in nature and reports directly to the Board. The committee's Charter and Terms of Reference are aligned to the new HWSETA constitution, the PFMA and Treasury Regulations. This committee also took on the responsibility of IT and Governance oversight.

Internal audit

The HWSETA's internal audit function is outsourced to an independent firm. The internal audit function operates on an approved three-year rolling strategic internal audit plan.

The internal audit plan is formulated on the HWSETA's current operations and the strategic plan, with a focus on the key risks of the HWSETA as identified by a risk assessment. The internal auditors report in accordance with an approved Charter which is in line with the Audit Committee Charter. The internal audit function has continuously added value by strengthening the control environment through improvements in internal control.

Governance costs

The HWSETA Board was re-constituted on 1 April 2011. See note 28 to the Annual Financial Statements for payments made to the HWSETA Board members as well as senior management salaries.

	2012/13	2011/12
Board allowances and travel and subsistence.	R1.208 mil	R1.239 mil
Audit Committee	R151 000	R170 000
Senior Management of HWSETA	R5.3 mil	R5.9 mil

Forensic Audit

During the financial year, there were various allegations around the misuse of finances, HR matters, irregular payments to training providers, fraud and corruption. A forensic audit was conducted by an independent forensic investigator into these allegations. The report was finalised at the end of January 2013, where it was concluded that there was no substance to the allegations. Recommendations for improvement to policy and procedures have already been implemented by the HWSETA.

ETQA

There were backlogs in terms of the ETQA function, due to the high demand for these services. Drastic measures were put in place to ensure that delivery is expedited. These measures include the appointment of programme evaluators and robust schedules for verifications. This has been achieved through partnerships with the universities and other quality assurance bodies. However in the next year more stringent and smarter efforts for the discharging this mandate will be employed.

Financial Management

In executing its annual business plan each year the HWSETA remains committed to sound financial management, good governance and compliance with the PFMA and Treasury Regulations.

Supply Chain Management

There is Supply Chain Management Unit within the Finance Division as required by the Treasury Regulations and is headed by the Supply Chain Manager. The division operates in line with the Supply Chain Management Act, Treasury Regulations and HWSETA policies, to ensure fair, equitable, transparent, competitive and cost effective procurement of goods and services.

Conflict of interest

The HWSETA abides by the HWSETA Related Party policy which is annually reviewed. Declarations of interest are made and recorded at each Board, sub-committee meeting of the HWSETA, and in the tender committee meetings for specification, evaluation and adjudication of tenders. All employees, including senior management declare their interest annually which is co-ordinated and monitored by the Corporate

Services Division

In an effort to discourage conflicts of interests it is the policy of the HWSETA that all employees must refrain from the acceptance of gifts from employers, suppliers and other outside parties.

General Governance

Detailed reports on the HWSETA's performance are included in the Annual Report in the reports of the Chief Executive Officer, Education Training Quality Assurance, Skills Development and Planning, Governance and Human Resources divisions.

Risk Management and Ethics

The HWSETA is committed to promoting a sound control environment and maintains appropriate systems of internal control and risk management. Good governance is promoted through transparency and openness. Effective risk management exists to ensure that all potential treats to financial interests of the state as well as it's achievement of objectives are timely identified and addressed.

Risk management is a continuous process of the HWSETA, where internal controls systems are regularly reviewed for effectiveness taking into consideration changes to the internal and external environment. Appropriate risk and control procedures are developed, communicated throughout the HWSETA and monitored. Risk management was effective throughout the financial year.

There is an on-going process for the identification, evaluation and management of all significant risks faced by the HWSETA. All identified significant risks are addressed by the formulation and implementation of mitigating actions and controls. These mitigating controls are regularly evaluated for its desired effect. The system of risk management is designed to manage the risk of failure or maximise opportunities to achieve the mandate and business objective. This can only provide reasonable but not absolute assurance.

The HWSETA has an approved Business continuity and disaster recovery plan in place to ensure that critical business processes of the HWSETA to continue in the event of a disaster. The HWSETA performed its risk assessment for the 2013/14 financial year and 2012/13 financial year on 5 March 2013 and 23 March 2012 respectively.

Top 32 risks were identified at a strategic level for focus and mitigation. These risks were reported on monthly and remained under control for the full financial year. Although some risks materialised, measures were put in place to reduce any damage

to the HWSETA. There were no unusual risks identified except for the risk of re-establishment of our ETQA division under the QCTO. We were given notice after a full audit by the QCTO that our ETQA has been delegated the required powers from the QCTO to continue operating. This will be reviewed regularly by the QCTO in the years to come. There was focused attention to the ETQA division to effect improved and more effective and efficient systems.

KING 111

The release of King 111 on 1 September 2009 represents a significant milestone in the evolution of corporate governance

in South Africa and brings with it significant opportunities for organisations who embrace its principles. At HWSETA we continue to strive to ensure that we prosper in an environment of good and balanced corporate governance. While we understand that achieving good governance is a complex task, we believe that sound governance practices offer numerous practical benefits and that we should integrate such practices into our operational processes. We understand that corporate governance is a process and is a code to live by rather than comply to. The HWSETA is fully committed to the KING 111 principles.

The following were areas identified where HWSETA did not comply fully with Corporate Governance best practice, King 111:

Reference to King 111	Explain	Result/Responsibility
The board should:		
1.2.2 protect, enhance and invest in the wellbeing of the economy, society and the environment;	Environment focus policy is to be developed in the 2013-2015 financial periods	Corporate Services Division of HWSETA(CS)
1.2.3 ensure that the company's performance and interactions with stakeholders is guided by the Constitution and the Bill of Rights;	This aspect is guided by the HWSETA Constitution which is agreed with the Department of Higher Education and Training (DHET) and the HWSETA.	Accepted non-compliance
1.2.5 ensure that measurable corporate citizenship programmes are implemented;	To be developed and implemented in 2013-2015 financial periods	Corporate Services Division of HWSETA(CS)
1.2.6 ensure that management develops corporate citizenship policies.	To be developed and implemented in 2013-2015 financial periods	Corporate Services Division of HWSETA(CS)
2.16.1 The members of the Board should elect a Chairman on an annual basis.	The Minister of DHET elects the Chairman of the Board in line with the Constitution of the HWSETA.	Accepted non-compliance
2.16.2 The Chairman should be independent and free of conflict upon appointment.	The Constitution of HWSETA indicates that the Chairman must be independent and approved by the Minister. The appointment of our current Chairman is in line with this provision. There are strict provisions in the Constitution relating to conflict of interest.	Accepted non-compliance in 2010-2011
2.17.1 The board should:		
Appoint the CEO	The Constitution of the HWSETA effective 1 April 2011 has a provision relating to the appointment and approval of the CEO recommended by the Board and approved by the Minister of DHET	Accepted non-compliance
2.17.5 ensure succession planning for the CEO and other senior executives and officers is in place	There is a retention and succession policy developed. This will be further reviewed and enhanced in 2013-2014.	CS and CEO and Board
2.18.2 The majority of the non-executive directors should be independent.	The Constitution of HWSETA prevails and is guided by DHET	Accepted non-compliance
2.18.3 When determining the number of directors serving on the board, the knowledge, skills and resources required for conducting the business of the board should be considered.	The Constitution of HWSETA prevails and is guided by DHET	Accepted non-compliance
2.18.4 Every board should consider whether its size, diversity and demographics make it effective.	The Constitution of HWSETA prevails and is guided by DHET	Accepted non-compliance
2.18.5 Every board should have a minimum of two executive directors of which one should be the CEO and the other the director responsible for finance.	The New Constitution of the HWSETA makes provision for the CEO to be the executive director of the Board only.	Accepted non-compliance

Reference to King 111	Explain	Result/Responsibility
2.18.6 At least one third of the non-executive directors should rotate every year.	The Constitution of HWSETA prevails and is guided by DHET. A Board Member may serve a term of five years.	Accepted non-compliance
2.18.7 The board, through its nomination committee, should recommend the eligibility of prospective directors.	The Constitution of HWSETA prevails and is guided by DHET	Accepted non-compliance
2.18.8 Any independent non-executive directors serving more than 9 years should be subjected to a rigorous review of his independence and performed by the Board.	The Constitution of HWSETA prevails and is guided by DHET. A Board Member may not serve two terms of five years each.	Accepted non-compliance
2.18.9 The Board should include a statement in the integrated report regarding the assessment of the independence of the independent non-executive directors.	The Board believes that its directors serve as HWSETA Board Directors in a fiduciary position, and do not represent the constituencies that they were nominated from, thus upholding independence. Any conflict of interest is monitored at each meeting, and dealt with appropriately when arising.	Accepted non-compliance
2.21.1 The Board should appoint and remove the company secretary.	No official company secretary appointed at HWSETA with these functions as the need has not been identified. Currently there is a Board secretary that supports the administration and other matters relating to the Authority.	Accepted non-compliance
2.21.2 The Board should empower the individual to enable him to properly fulfill his duties.	No official company secretary appointed at HWSETA with these functions	Board to consider
The company secretary should:	No official company secretary appointed at HWSETA with these functions	
2.21.5 assist the nomination with the appointment of directors;	This function is currently performed by the CEO and Board and approved by the Minister of DHET	Board, CEO and Minister
2.21.6 assist with the director induction and training programmes;	This is currently being performed by the Corporate Services Division of the HWSETA	Corporate Services Division of HWSETA(CS)
2.21.7 provide guidance to the Board on the duties of the directors and good governance;	This is currently being performed by the Corporate Services Division of the HWSETA	Corporate Services Division of HWSETA(CS)
2.18 ensure Board and committee charters are kept up to date;	This is currently being performed by the RIME Division of the HWSETA	RIME Division of the HWSETA
2.21.13 assist with the evaluation of the Board, committees and individual directors.	This is currently being performed by the Board Secretary	CEO division of the HWSETA
2.22.3 The results of the performance evaluations should identify training needs for directors.	Identified annually through the CS Division of the HWSETA.	Corporate Services Division of HWSETA(CS)
2.22.4 An overview of the appraisal process, results in action plans should be disclosed in the integrated reports.	The Board of the HWSETA was independently assessed in 2012-2013. The results have been communicated to the Authority with recommendations for implementation.	Integrated Reporting 2012-2013
2.22.5 The nomination for the re-appointment of a director should only occur after the evaluation of the performance and attendance of the director.	The Constitution of HWSETA prevails and is guided by DHET. A Board Member may not serve two terms of five years each. There is provision in the Constitution relating to performance of Board Members.	Board and Minister
The audit committee		
3.9.1 must nominate the external auditor for appointment;	The HWSETA is directed by the PFMA as it is a Public Entity. The Auditor-General of South Africa are the appointed auditors.	Accepted non-compliance
6.4.1 The Board should ensure that a legal compliance policy, approved by the board, has been implemented by management.	Legal compliance policy to be developed and implemented in 2013-2015 financial years	Legal Advisor
8.1.2 The company's reputation and its linkage with stakeholders' relationship should be a regular board agenda.	To be implemented in 2013-2014 financial year	Board/Company Secretary/CEO
8.2.1 Management should develop a strategy and formulate policies for the management of relationships with each stakeholder grouping.	To be developed and implemented in 2013-2014	RIME and CS Divisions

Allegations of misconduct

There have been charges of misconduct by a staff member of the HWSETA during the year. In terms of the disciplinary policy appropriate actions were taken this employee and the employee was dismissed after year end.

Services rendered by the HWSETA

HWSETA acts as the conduit between the employers, training providers and learners. The HWSETA endeavours to meet the skills requirements of the sector it serves by interacting with the employers registered in the sector. These employers advise HWSETA of skills shortages and requirements within the sector which guides us regarding which learnerships to fund as well as which additional learnership standards, curriculum and material requires development and registration to these needs.

Business Address

The physical address of this public entity is:
17 Bradford Road,
Bedfordview,

The postal address of this entity is:
Private Bag X15
Gardenview,
2047

Events after Reporting date

The HWSETA has not identified and is not aware of any events occurring after the reporting date that could materially affect the state of affairs of the HWSETA as reflected in this Annual Report.

Approval

The Annual Financial Statements for the year ended 31 March 2013 set out on pages 100 to 126 were approved by the Accounting Authority in terms of Section 51(1) (f) of the Public Finance Management Act, No 1 of 1999 on 31 May 2013 and signed on their behalf by:

STATEMENT OF RESPONSIBILITY

The Board of the HWETA, the Accounting Authority, is responsible to prepare Annual Financial Statements that fairly present the HWSETA's financial position as at 31 March 2013 and also the financial performance and cash flow activities for the year ended 31 March 2013. We are of the opinion that appropriate Accounting policies, supported by reasonable and prudent judgements and estimates, have been applied on a consistent basis. The Annual Financial Statements comply with the applicable accounting framework.



THE HWSETA HAS NOT IDENTIFIED AND IS NOT AWARE OF ANY EVENTS OCCURRING AFTER THE REPORTING DATE THAT COULD MATERIALLY AFFECT THE STATE OF AFFAIRS OF THE HWSETA AS REFLECTED IN THIS ANNUAL REPORT.





Health and Welfare Sector
Education and Training Authority
HWSETA



STATEMENT OF FINANCIAL PERFORMANCE

		2012/13 R'000	2011/12 R'000
REVENUE	Note		
Non - Exchange Revenue		337 306	282 240
Skills Development Levy: income	3	333 431	280 585
Skills Development Levy: penalties and interest		3 875	1 655
Exchange Revenue		23 952	21 272
Interest income	4	22 468	20 716
Other income	5	1 484	556
Total revenue		361 258	303 512
EXPENSES			
Total expenses		255 372	204 327
Employer grant and project expenses	6	190 431	145 626
Administration expenses	7	64 941	58 701
Finance costs	7.2	-	-
Net surplus for the Period	2	105 886	99 185

STATEMENT OF FINANCIAL POSITION

	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Non-current assets		4 837	4 832
Property, plant and equipment	8.1	4 481	4 468
Intangible assets	8.2	356	364
Current assets		629 815	500 030
Accounts receivable: Non-exchange transactions	10	1 790	5 505
Accounts receivable: Exchange transactions	10.1	2 771	15 560
Prepayments and advances	9	730	74
Inventories	12	400	724
Cash and cash equivalents	13	624 124	478 167
TOTAL ASSETS		634 652	504 862
EQUITY AND LIABILITIES			
Current liabilities		57 263	33 359
Grants and transfers payable - Non exchange transactions	14	42 193	22 392
Trade & other payables: exchange transactions	15	14 206	10 321
NSF Funds received in Advance	16.1	1	1
Short term portion of smoothing	24	863	645
Funds and reserves		577 389	471 503
Administration reserve		4 837	4 832
Employer grant reserve		-	43
Discretionary reserve		572 552	466 628
TOTAL NET FUNDS AND LIABILITIES		634 652	504 862

Note: of the Discretionary reserves of R573 million (2012: R467 million), R278 million (2012: R393 million) has been committed for discretionary grant funding. See Note 18.

STATEMENT OF CHANGE IN NET ASSETS

	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Unappropriated surplus R'000	Total R'000
Balance at 31 March 2011	4 069	41	368 208	-	372 318
Net surplus per Statement of Financial Performance				99 185	99 185
Transfer to Employer reserves		(58 135)	58 135		
Transfer to Discretionary reserves	(18 646)		18 646		-
Allocation of unappropriated surplus	19 409	58 137	21 639	(99 185)	-
Balance at 31 March 2012	4 832	43	466 628	-	471 503
Net surplus per Statement of Financial Performance				105 886	105 886
Allocation of unappropriated surplus	21 240	55 048	29 598	(105 886)	-
Transfer from Employer reserves		(55 091)	55 048		
Transfer to Discretionary reserves	(21 235)		21 278		-
Balance at 31 March 2013	4 837	-	572 552	-	577 389

CASH FLOW STATEMENT

	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		338 790	282 796
Levies, interest and penalties received		337 306	282 240
Other cash receipts from stakeholders		1 484	556
Cash paid to stakeholders, suppliers and employees		(214 395)	(246 833)
Grants and project payments		(146 929)	(178 741)
Special projects		-	-
Compensation of employees		(31 835)	(28 788)
Payments to suppliers and other		(35 733)	(39 304)
Cash generated from operations	25	124 395	35 963
Interest income	4	22 468	20 716
Finance cost		-	-
Net cash inflow from operating activities		146 863	56 679
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8.1	(713)	(1 619)
Purchase of intangible assets	8.2	(193)	(171)
Disposal of property, plant and equipment		-	-
Net cash (outflow) from investing activities		(906)	(1 790)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash (outflow) from financing activities		-	-
Net increase in cash and cash equivalents		145 957	54 889
Cash and cash equivalents at the beginning of the period		478 167	423 278
Cash and cash equivalents at the end of the period	13	624 124	478 167

Note: of the Cash reserves of R624 million (2012: R478 million), R278million (2012: R393 million) has been committed for discretionary grant funding. See Note 18.

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL EXPENDITURE

	2012/13				2011/12	
	R'000 Actual	R'000 Annual Budget	R'000 Variance	R'000 % Variance	R'000 Actual	R'000 Annual Budget
Total Levy Income 80%	288 946	249 394	39 552	%	234 118	229 203
Levy - Mandatory	178 242	155 118	23 124	15	145 780	141 641
Levy - Discretionary	70 492	62 083	8 409	14	57 251	56 691
Levy - Admin	36 337	31 193	5 144	16	29 432	28 474
Interest & Penalties	3 875	1 000	2 875	288	1 655	2 397
Total Income - Government						
Dept	48 360	43 000	5 360	12	48 122	35 700
Total Investment Income	22 468	15 000	7 468	50	20 716	15 000
	359 774	307 394	52 380	17	302 956	279 903
Insurance claim	-	-	-	-	422	-
SDL Grant refund	58	-	58	-	25	-
Sundry income	1 426	-	1 426	-	109	-
Admin Expenditure	64 941	71 693	(6 752)	(9)	58 701	62 374
Accommodation & Travelling	6 240	7 000	(760)	(11)	5 872	6 500
Advertising & Promotions	1 465	1 749	(284)	(16)	1 584	1 600
Audit - External	1 731	1 903	(172)	(9)	1 795	1 900
Audit - Internal	1 661	1 250	411	33	2 287	1 300
Bank charges	41	80	(39)	(49)	53	80
Branding	44	250	(206)	(82)	112	200
Catering & Refreshments	231	130	101	78	103	197
Cleaning	330	190	140	74	179	153
Consulting Fees	474	266	208	78	252	891
Courier & Postage	341	133	208	156	125	89
Depreciation	903	1 377	(474)	(34)	1 027	990
Audit Committee costs	208	270	(62)	(23)	206	243
Governance Costs	1 773	1 300	473	36	1 211	1 220
Insurance Premiums	281	300	(19)	(6)	271	300
IT Systems	486	200	286	143	154	101
Lease charges	100	161	(61)	(38)	145	142
Legal fees	954	300	654	218	169	300
Memberships & Subscriptions	283	308	(25)	(8)	291	240
Motor Vehicle expenses	83	52	31	60	49	63
Office move	6	100	(94)	(94)	-	-
Printing & Stationery	1 754	1 466	288	20	1 416	1 500
Programme evaluations	911	800	111	14	304	-
Bad debts written-off	40	-	40	-	-	-
Recruitment costs	572	570	2	0	518	300
Rent Paid and storage	5 941	6 388	(447)	(7)	5 725	5 800
Repairs & Maintenance	110	277	(167)	(60)	252	78
Salaries & Wages	31 835	38 128	(6 293)	(17)	28 788	31 769
SDF Contractor Fees	-	150	(150)	(100)	-	350
Security	10	21	(11)	(52)	19	13
Software licences	1 109	1 028	81	8	970	1 086
Staff. Board Training and bursaries	694	750	(56)	(7)	536	931
Staff welfare and EAP	473	350	123	35	295	400
Telephone & faxes	781	886	(105)	(12)	836	762
Inventory loss	21	-	21	100	-	-
Water & Electricity, rates and taxes	915	1 200	(285)	(24)	931	700
Workshops	2 140	2 360	(220)	(9)	2 226	2 176
Mandatory Grant	123 194	155 118	(31 924)	(21)	87 643	141 641
Project Expenditure - Discretionary Funds	67 237	77 083	(9 846)	(13)	57 983	74 088
Total grants	190 431	232 201	(41 770)		145 626	215 729
Surplus before capital expenditure	105 886	3 500	102 386			
CAPEX	906	3 500	(2 594)	(74)	1 790	1 800
Surplus	104 980	-	104 980	100%	98 763	1 800

Explanations of material differences (variances greater than 10% and more than R200 000) between budget and actual amounts are reflected in Note 29.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Accounting policies to the Annual Financial Statements

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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 indicated.

1.1 Standards adopted

- GRAP 1 – Presentation of financial statements
- GRAP 2 – Cash Flow statements
- GRAP 3 – Accounting policies, changes in accounting estimates and errors
- GRAP 4 – The effect of changes in foreign exchange rates
- GRAP 9 – Revenue from exchange transactions
- GRAP 12 – Inventories
- GRAP 13 – Leases
- GRAP 14 – Events after reporting date
- GRAP 17 – Property, plant and equipment
- GRAP 19 – Provisions, contingent liabilities and contingent assets
- GRAP 21 – Impairment of non-cash generating assets
- GRAP 23 – Revenue from non-exchange transactions
- GRAP 24 – Presentation of Budget information in the financial statements
- GRAP 102 – Intangible assets
- GRAP 104 – Financial instruments

New Accounting Pronouncements

GRAP 25: Employee costs: The HWSETA would need to account for short-term employee benefits and long term employee benefits in accordance with GRAP 25 as of 01 April 2013. There are no material differences in the adoption of GRAP 25 compared to IAS 16 – Employee benefits which has been adopted in the preparation of the current year annual financial statements..

1.2 Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated. All figures are rounded to the nearest one thousand, unless otherwise stated..

1.3 Revenue Recognition

Revenue is recognised when it is probable that future economic benefits will flow to the HWSETA and these benefits can be measured reliably.

Exchange Revenue

Revenue is measured at fair value of the consideration received or receivable. Interest revenue is recognised in a time proportionate basis using the effective interest rate method in the Standards of GRAP on Financial Instruments.

Non-exchange Transactions

Revenue from non-exchange transactions are recognised in accordance with GRAP 23 using the ‘assets and liabilities’ approach.

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of the Skills Development Act, Act No 97 of 1998 and the Skills Development Levies Act, Act No 9 of 1999. Skills Development Levy transfers are recognised when it is probable that future economic benefits will flow to the HWSETA and these benefits can be measured reliably.

This occurs when the Department of Higher Education and Training either makes an allocation or payment, whichever comes first, to the HWSETA. As required by section 8 of the Skills Development levy Act, 1999 (Act No 9 of 1999). The New policy was effective from 1 April 2007.

1.3.1 Levy Income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies of the HWSETA 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. Companies with an annual payroll cost of less than R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

Eighty percent of skills development levies are paid to the HWSETA (net of the twenty percent contribution to the National Skills Fund) as a direct charge against the National Revenue Fund

Levy income is recognised on the accrual basis.

A net receivable / payable is recognised for SARS adjustments. An estimate as a result of retrospective adjustments by SARS due at year-end is based on historical trends and actual data where these amounts are available subsequent to year end. Changes to prior year estimates are accounted for in revenue in the current period.

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

Revenue is adjusted for inter-SETA transfers due to employers changing SETA's. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued by the Department of Higher Education and Training issued June 2001.

Exempted employers

An employer who is liable to pay the levy is exempted ,if during any month, there are reasonable grounds for believing that the total remuneration (as determined in accordance with the Act) paid or payable by that employer to all its employees during the following 12 month period will not exceed R500 000.

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

Interest and penalties

Interest and penalties on the skills development levy is recognised when it is received.

1.3.2 Amendment of Accounting Policy 1.3

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of the Skills Development Act, Act no 97 of 1998 and the Skills Development Levies Act, Act no 9 of 2001.

The accounting policy allows SETAs to recognise revenue on the receipt of funds from the Department of Higher Education and Training in the bank account of the SETA in line with international practice for revenue recognition on an accrual basis.

The accounting policy is consistent with previous year policies and disclosures.

1.3.3 Government Grants and other Donor Income

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the HWSETA as a liability until the related eligible special project expenses are incurred, when the liability is utilised the revenue that is recognised as income in the statement of financial performance.

Property, plant and equipment acquired because of government projects are capitalised in the financial statements of the HWSETA, as the HWSETA controls such assets for the duration of the project. Such assets are disposed of in terms of agreement with the donor.

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate. Unconditional grants received are recognised when the amounts have been received.

1.3.4 Interest Revenue

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.

1.4 Grants and Project Expenditure

A registered employer company or organisation may recover a maximum of 70% 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). A refund of 50% would be for participation in mandatory grants, and 20% for participation in discretionary grants.

Mandatory Grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed upon cut-off period and the application have been approved as the payment then becomes probable. The grant is equivalent to 50% of the total levies paid by the employer during the corresponding financial period for the skills planning grant and skills implementation grant.

Discretionary Grants and Project Expenditure

The HWSETA may, out of any surplus monies, determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. The grant payable and the related expenditure are recognised when the application has been approved and the conditions are met.

Project expenditure comprise:

- costs that relate directly to the specific project;
- 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.

Discretionary grants and project costs are recognised as expenses in the period in which they are incurred. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

Grant Payments and Projects

A provision is recognised for grant payments once the specific criteria set out in the regulations to the Skills development Act, 97 of 1998 have been complied with by member companies and it is probable that the HWSETA will approve the payment. The measurement of the obligation involves an estimate, based

on the established pattern of past practice of approval for each type of grant. No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements.

Employee Benefits

Salaries and Wages

Salaries and wages are recognised on an undiscounted basis as expenditure in the statement of financial performance.

Leave

The HWSETA recognised a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable as a result of the unused leave days owing to employees at the end of the period.

Performance Bonuses

A liability and expenses is recognised for performance bonuses when a reliable estimate can be made of the amount to be paid as performance bonuses. A reliable estimate can only be made when performance assessments have been completed in terms of the Performance policy and the bonus value as been calculated before the financial statements are authorised for issue.

Post- retirement benefits

The HWSETA provides a defined contribution provident plan as post retirement benefits to its employees.

The HWSETA recognises a liability for any contributions owing to the fund at the end of the period and recognises the amount of contributions that were paid or due to the plan during the reporting period as an expense.

Commitments

Commitments are disclosed where the HWSETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses or capital expenditure, or where there is a conditional letter of approval of funds. Commitments are measured at the amount that the entity would rationally pay to settle the obligation or to transfer it to a third party at the reporting date.

1.5 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,

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 charged against the respective class of expenditure in the period in which they are incurred and disclosed in a note in the period that it is identified.

Where instances of possible fruitless and wasteful expenditure are identified, the incidence is investigated, and where appropriate, recovered from the party/ parties responsible.

1.6 Property, Plant and Equipment

Property, plant and equipment (owned and leased) are initially recognised at cost price on date of acquisition and subsequently at cost less 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 as follows:

- Computer equipment	3	16.66%	-33.33%
- Motor Vehicles		12.5%	- 20%
- Office furniture and fittings		10%	- 16.66%
- Office equipment		10%	- 16.660%
- Leased assets	Depreciated over useful life of the asset		

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

The carrying value of assets is reviewed regularly to assess whether there is any indication of impairment and where the carrying amounts of assets are greater than their recoverable service amounts, the assets are written down to these recoverable service amounts. The recoverable service amount is the greater of the fair value of the asset less costs to sell or the value in use. Depreciation and impairment losses are included in the statement of financial performance.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.7 Intangible Assets – Computer Software and application packages

Acquired computer software licences and computer application packages are capitalised on the basis of the costs incurred and bring to use the specific software. These costs are amortised over their estimated useful lives. See note above for amortisation rates on computer software.

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

The carrying value of intangible assets are reviewed regularly to assess whether there is any indication of impairment and where the carrying amounts of intangible assets are greater than their recoverable service amounts, these assets are written down to these recoverable service amounts. The recoverable service amount is the greater of the fair value of the intangible asset less costs to sell or the value in use. Amortization and impairment losses are included in the statement of financial performance.

Gains and losses on intangible assets are determined by reference to their carrying amount and are taken into account in determining operating profit.

Costs associated with developing or maintaining computer software programmes are recognised as an expense when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the HWSETA, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer Software

16.66% - 33.33%

1.8 Inventories

Inventories that qualify for recognition as assets are initially measured at cost. Inventories are subsequently measured at the lower of cost and current replacement cost. Cost is determined on the first in first out (FIFO) basis. Current replacement cost is the cost that the entity would incur to acquire the asset on the reporting date.

1.9 Key Accounting Judgements

In the application of the HWSETA'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 past 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 period. The following values in the Annual Financial Statements have been judgementally derived:

- 1) Depreciation of property, plant and equipment and amortisation of intangible assets.
- 2) Provision for doubtful debts from non-exchange transactions.

1.10 Leasing

Finance leases as per GRAP 13 are leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Legal title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

The HWSETA as a Lessee

Assets held under finance leases and the corresponding liability is recognised at their present value of the minimum lease payments at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing obligations and the estimated present value of the minimum lease payments or fair value, are charged to the statement of financial performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

In respect of an operating lease periodic payments are made to the lessor in return for the use of the asset. These periodic payments are recognised in equal instalments as an expense over the period of the lease, and not based on actual cash payments.

1.11 Contingent liabilities

Contingent liabilities are disclosed as commitments when the HWSETA has a possible obligation that will probably result in an outflow of economic benefits depending on occurrence or non-occurrence of a future event.

Disclosed amounts in respect of contingent liabilities are measured on the basis of the best estimate, using experience of similar transactions or reports from independent experts.

1.12 Impairment of assets

Impairment is the loss in the future economic benefits or service potential of an asset over and above the systematic recognition of the loss through depreciation or amortisation.

Property, Plant and Equipment

Property, plant and equipment are annually assessed, by considering internal and external factors where there is an indication of impairment. If any such indication exists, the recoverable service amount of the asset is estimated at the higher of fair value less cost to sell and its value in use.

Intangible Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

Non-financial Assets

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The assets value in use is determined using one of three approaches,

depreciated replacement cost, restoration cost or service units. The approach selected will be determined by the availability of the data and the nature of the impairment.

An impairment loss is recognised in the statement of financial performance whenever the carrying amount exceeds the recoverable service amount.

A previously recognised impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised in previous years.

1.13 Provisions

Provisions are recognised when the HWSETA 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 or service potential that can be estimated reliably.

Provision for Employee Entitlements

The cost of other employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date. Provisions included in the statement of financial position are provisions for leave (based on the current salary rates) and bonuses.

1.14 Financial Instruments

Initial Recognition

Financial assets and financial liabilities are recognised on the HWSETA statement of financial position when the HWSETA becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are initially recognised using trade date accounting.

Initial Measurement

Financial instruments are initially measured at fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or issue of the financial asset or liability.

Financial Assets

The HWSETA's principle financial assets are cash and cash equivalents, loans and advances and other receivables.

Accounts and other Receivables

Accounts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of Accounts receivable is established when there is objective evidence that the HWSETA will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the receivables carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The movement in the provision is recognised in the Statement of Financial Performance.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, investments and deposits held by HWSETA with the CPD and domestic banks. Cash and cash equivalents are measured at amortised cost.

Financial Liabilities

The HWSETA principal financial liabilities are accounts and other payables. All financial liabilities are measured initially at fair value and include transaction costs where appropriate. After initial recognition all financial liabilities are measured at amortised cost using the effective interest rate method.

Derecognition

A financial asset or a portion thereof is derecognised when the HWSETA realises the contractual rights to the benefits specified in the contract, the rights expire, and the HWSETA 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.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognising, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in net surplus or deficit for the period.

Fair Value Considerations

The fair values at which financial instruments are carried at the balance sheet date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting expected future cash flows at prevailing interest rates where material.

Offsetting

Financial assets and financial liabilities are offset if there is any intention to realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

1.15 Reserves

Net assets are sub-classified in the Statement of Financial Position between the following funds and reserves:

- Administration Reserve

This is the reserve maintained for the operational and running costs of the HWSETA.

- Employer Grant Reserve

This is the reserve maintained for the paying back to employers a percentage of the contributed levies after they satisfy the specific criteria set out in the Act.

- Discretionary Grant Reserve

This is the reserve set out of surplus monies for use on special projects which the HWSETA deem suitable in fulfilling its objectives as set out in the Act.

- Accumulated Surplus / Deficit

This is the reserve arising out of operations and is reallocated at the end of the year to the above reserves on the basis set out below.

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). Accrual basis of accounting is used to calculate the reserves and thus reserves are not an indication of the cash used or available at the end of the year.

Member employer company 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:

	2012/13	2011/12
	%	%
Administration cost of the HWSETA	10	10
Employer grant fund levy	50	50
Discretionary grant and projects	20	20
Received by the HWSETA	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 pay for its administration costs.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects. Other income received are utilised in accordance with the original source of the income.

The amount retained in the administration reserve equates to the net book value of property, plant and equipment and intangible assets.

The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above.

Surplus funds are moved to the discretionary fund reserve from the administration reserve on the HWSETA' S board approval (after prior written approval from National Treasury) and from the mandatory grant on fulfilment of the HWSETA' S payment obligations.

1.16 Taxation

HWSETA is exempt from income tax in terms of section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

1.17 Comparative figures

Where necessary comparative figures have been adjusted to conform to changes in the presentation. No comparatives were restated in the current year.

1.18 Presentation of Budget Information in the Financial Statements

Subject to the requirements of GRAP 24, the HWSETA 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.
- the actual amounts on a comparable basis and.
- by way of note disclosure am 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 2012 to 31 March 2013 and has been prepared on the accrual basis of accounting.

1.19 Related parties

A entity or individual is considered to be a related party to the HWSETA when the party has the ability to control the HWSETA or can exercise significant influence over the HWSETA in making financial and operating decisions, or if the party and the HWSETA are subject to common control.



2 Allocation of net surplus for the year to reserves 2012/13

	Total per Income Statement R'000	Administration reserve R'000	Mandatory skills planning grant R'000	Discretionary grants R'000
Total revenue	361 258	86 181	178 242	96 835
Skills development levy: income				
Admin levy income (10%)	84 697	84 697	-	-
Grant levy income (70%)	248 734	-	178 242	70 492
Skills development levy: penalties and interest	3 875	-	-	3 875
Investment income	22 468	-	-	22 468
Other income	1 484	1 484	-	-
Total expenses	(255 372)	(64 941)	(123 194)	(67 237)
Administration expenses	(64 941)	(64 941)	-	-
Finance costs	-	-	-	-
Employer grants and project expenses	(190 431)	-	(123 194)	(67 237)
Net surplus per the Statement of Financial Performance allocated	105 886	21 240	55 048	29 598

The amounts reflected on the note do not represent actual cash flows. Instead, these amounts were prepared on an accrual basis in line with Generally Recognised Accounting Practice (GRAP).

2 Allocation of net surplus for the year to reserves 2011/12

	Total per Income Statement R'000	Administration reserve R'000	Mandatory skills planning grant R'000	Discretionary grants R'000
Total revenue	303 512	78 110	145 780	79 622
Skills development levy: income	-			
Admin levy income (10%)	77 554	77 554	-	-
Grant levy income (70%)	203 031	-	145 780	57 251
Skills development levy: penalties and interest	1 655	-	-	1 655
Investment income	20 716	-	-	20 716
Other income	556	556	-	-
Total expenses	(204 327)	(58 701)	(87 643)	(57 983)
Administration expenses	(58 701)	(58 701)	-	-
Finance costs	-	-	-	-
Employer grants and project expenses	(145 626)	-	(87 643)	(57 983)
Net surplus per the Statement of Financial Performance allocated	99 185	19 409	58 137	21 639

The amounts reflected on the note do not represent actual cash flows. Instead, these amounts were prepared on an accrual basis in line with Generally Recognised Accounting Practice (GRAP).

3 SKILLS DEVELOPMENT LEVY INCOME

	2012/13 R'000	2011/12 R'000
Levy income: Administration	84 697	77 554
Levies received	84 697	77 554
Levies received from SARS	36 317	29 427
Government levies received	48 361	48 122
Interseta transfers in	19	10
Interseta transfers out	-	(5)
Levy income: Employer Grants	178 242	145 780
Levies received	178 242	145 780
Levies received from SARS	178 145	145 830
Interseta transfers in	97	14
Interseta transfers out	-	(64)
Levy income: Discretionary Grants	70 492	57 251
Levies received	70 492	57 251
Levies received from SARS	70 453	57 250
Interseta transfers in	39	7
Interseta transfers out	-	(6)
	333 431	280 585

4 INTEREST INCOME

	2012/13 R'000	2011/12 R'000
Interest income from banking institutions	22 468	20 716
	22 468	20 716

5 OTHER INCOME

	2012/13 R'000	2011/12 R'000
Other income comprises:		
Write-off payables to employers no longer active	426	422
Write-off of provident fund payable	375	
Other	627	25
Mandatory Grants received by HWSETA for HWSETA staff training	56	109
	1 484	556

6 EMPLOYER GRANT AND PROJECT EXPENSES

	2012/13 R'000	2011/12 R'000
Mandatory grants	123 194	87 643
Movement in provision	20 811	(34 492)
Disbursed	102 383	122 135
Discretionary grants	67 237	57 983
Movement in provision	-	-
Disbursed	67 237	57 983
	190 431	145 626

7 ADMINISTRATION EXPENSES

	Note	2012/13 R'000	2011/12 R'000
Depreciation	8.1	702	792
Amortization of Intangible assets	8.2	201	235
Operating and finance lease		6 005	5 629
Buildings		5 905	5 483
Plant, machinery and equipment		100	146
Maintenance, repairs and running costs		110	252
Property and buildings		105	229
Machinery and equipment		5	23
Advertising, marketing and promotions, communication		1 465	1 584
Consultancy and service provider fees		474	252
Legal fees		954	168
Cost of employment	7.1	31 835	28 788
Travel and subsistence and accommodation		6 240	5 872
Staff training and development		665	530
Remuneration to members of the accounting authority		1 773	1 211
Remuneration to members of the audit committee		208	206
External auditor's remuneration		1 345	1 795
Audit fees		1 345	1 795
Other		12 964	11 387
Workshops		2 140	2 226
Internal audit fees - Audit fees		1 661	1 405
Forensic audit fees		386	-
Special assignments		-	882
Courier and postage		338	125
Telephone		781	836
Programme evaluations - ETQA		911	304
Bad debts written-off		40	-
Printing and stationery		1 754	1 378
Staff welfare		473	295
Office cleaning		330	179
Insurance		280	271
Motor vehicle expenses		83	49
Software support		1 107	970
Storage		32	242
Subscriptions		283	291
Staff bursaries		29	6
Security		10	19
Water and electricity, rates and taxes		915	931
Recruitment costs		571	518
Bank charges		41	53
IT systems		486	154
Branding		21	112
Other consumables		34	38
Office move		6	-
Catering and refreshments		231	103
General expenses		-	-
Inventory loss		21	-
		64 941	58 701

7.1 Cost of employment

	2012/13 R'000	2011/12 R'000
Salaries and wages	28 121	25 341
Basic salaries	23 516	21 831
Performance awards	1 024	1 154
Temporary staff	3 714	2 126
Leave payments	(133)	230
Social contributions	3 714	3 447
Medical aid contributions	545	518
Provident fund contributions: defined contribution plan	2 609	2 441
SDL Levies	281	245
UIF	132	115
Other salary related costs - cell phone	147	128
	31 835	28 788

Number of permanent employees at period end

72 73

Refer to the note 28 for disclosure concerning the emoluments of members of the accounting authority, the Chief Executive Officer, the Chief Financial Officer and Senior Managers.

7.2 FINANCE COSTS

	2012/13 R'000	2011/12 R'000
Interest expense:		
Other interest	-	-
Total finance cost	-	-

8.1 PROPERTY, PLANT AND EQUIPMENT

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Year ended 31 March 2013			
Computer equipment	1 225	(885)	340
Office furniture and fittings	3 440	(1 591)	1 849
Office equipment	3 160	(1 149)	2 011
Motor vehicles	529	(248)	281
Balance at end of period	8 354	(3 873)	4 481
Made up as follows:			
- Owned assets	8 354	(3 873)	4 481

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Year ended 31 March 2012			
Computer equipment	1 724	(1 206)	518
Office furniture and fittings	3 244	(1 441)	1 803
Office equipment	2 742	(945)	1 797
Motor vehicles	529	(179)	350
Balance at end of period	8 239	(3 771)	4 468
Made up as follows:			
- Owned assets	8 239	(3 771)	4 468
- Leased assets			

Movement summary 2013

	Carrying amount 2012 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2013 R'000
Computer equipment	518	100	-	(278)	340
Office furniture and fittings	1 802	196	-	(149)	1849
Office equipment	1 797	417	-	(203)	2011
Motor vehicles	351	-	-	(70)	281
Balance at end of period	4 468	713	-	(700)	4,481

There are disposals of Computer equipment in the current financial year due to the assets reaching the end of their useful life and no further economic benefits are expected, (book value was zero). The initial cost of the assets were R 238 089 for computer equipment.

Movement summary 2012

	Carrying amount 2011 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2012 R'000
Computer equipment	610	176	-	(268)	518
Office furniture and fittings	1 499	557	-	(254)	1802
Office equipment	1 109	886	-	(198)	1797
Motor vehicles	423	-	-	(72)	351
Balance at end of period	3 641	1 619	-	(792)	4 468

There are disposals of property, plant and equipment in the current financial year due to the assets reaching the end of their useful life and no further economic benefits are expected, (book value was zero). The initial cost of the assets were R 345 540 for computer equipment, R 623 491 for furniture and fittings and R 570 506 for office

* Disposal: equipment.

8.2 INTANGIBLE ASSETS

	Cost R'000	Accumulated amortization/ impairment R'000	Closing carrying amount R'000
Year ended 31 March 2013			
Computer software	1 850	(1 494)	356
Balance at end of period	1 850	(1 494)	356
Made up as follows:			
Owned assets	1 850	(1 494)	356

	Cost R'000	Accumulated amortization/ impairment R'000	Closing carrying amount R'000
Year ended 31 March 2012			
Computer software	1 657	(1 293)	364
Balance at end of period	1 657	(1 293)	364
Made up as follows:			
Owned assets	1 657	(1 293)	364

Movement summary 2013

	Carrying amount 2012 R'000	Additions R'000	Disposals R'000	Amortization charge R'000	Carrying amount 2013 R'000
Computer software	364	193	-	(201)	356
Balance at end of period	364	193	-	(201)	356

Movement summary 2012

	Carrying amount 2011 R'000	Additions R'000	Disposals R'000	Amortization charge R'000	Carrying amount 2012 R'000
Computer software	428	171	-	(235)	364
Balance at end of period	428	171	-	(235)	364

8.3 Change in Useful life and Residual values

The residual values and the useful lives of fixed asset were reviewed at the end of the financial year in accordance with GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors. Based on disposal patterns of property, plant and equipment in recent years and the physical condition of fixed assets at balance sheet date, management's estimates of useful life and residual value have not changed compared to the prior year except for furniture and fittings. The useful life of furniture and fittings was revised from 10 years to 15 years.

Effect of change :

Depreciation at 10 years	227,131
Depreciation at 15 years	148,761
Effect of change in the current year	78,370

The HWSETA has furniture and fittings still in use with a zero carrying value. The carrying value of these assets have not been adjusted to account for the change in useful life as the impact of the change is considered to be immaterial

9 PREPAYMENTS AND ADVANCES

	2012/13 R'000	2011/12 R'000
Prepayments and Advances		
Insurance	68	74
Office rental in advance	550	-
Subscriptions and other supplier deposits	112	-
Closing balance	730	74

10 Account Receivables Non Exchange Transactions

	Note	2012/13 R'000	2011/12 R'000
SARS levy reversals - Employer mandatory grant overpaid	11	2 170	6 129
Provision for doubtful debts		(380)	(624)
Skills development levy debtors		1 790	5 505

10.1 Account Receivables Exchange Transactions

		2012/13 R'000	2011/12 R'000
Interest receivable on cash balances		1 088	844
Other receivables		28	13 183
Staff receivables - salary advances		54	76
Office rental deposits		807	806
Staff study assistance/bursaries		650	507
Inter SETA debtor	23	144	144
Bad debts written off		-	-
Allowance for doubtful debts		-	-
Total receivables		2 771	15 560

11 Employer overpaid

Included in Skills Development Levy debtors is:

	2012/13 R'000	2011/12 R'000
SARS receivable/(payable)		
Opening carrying amount	-	1 414
Net effect of SARS Adjustments on levies for the current year	2 170	(1 414)
Closing carrying amount	2 170	-

12 INVENTORIES

	2012/13 R'000	2011/12 R'000
Consumables	400	724

There are no consumables held at current replacement cost.

13 CASH AND CASH EQUIVALENTS

	2012/13 R'000	2011/12 R'000
Cash - Bank deposits	232 966	119 568
Cash - Corporation for Public Deposits	248 654	121 005
Cash - Investments in term deposits	142 500	237 593
Cash on hand	4	1
Cash and cash equivalents at end of year	624 124	478 167

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held.

Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to an insignificant risk of change.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments.

As the HWSETA was no longer exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits (CPD), surplus funds were invested in institutions that have been approved by the National Treasury including the CPD.

Note: of the Cash reserves of R624 million (2012: R478 million), R278 million (2012: R393 million) has been committed for discretionary grant funding. See Note 18.

Credit ratings of HWSETA bankers: (Fitch ratings)

Financial institution	Short term	Long Term
First Rand Bank Ltd.	F3	BBB
Nedbank Ltd.	F3	BBB
Standard Bank	F3	BBB
Corporation for public deposits	N/a	N/a

Short term ratings:

F3 - Obligations supported by adequate capacity for timely repayment relative to other obligors in the same country. Such capacity is more susceptible to adverse changes in business, economic or financial conditions than for obligations in higher categories.

Long term ratings:

BBB - Obligations for which capacity for timely repayment of principal and interest is adequate relative to other obligors in the same country. However adverse changes in business, economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

14 Accounts payables

14.1 Grants and Transfers Payable Non exchange transactions

Non-exchange transactions

	Note	2012/13 R'000	2011/12 R'000
Mandatory Grants Payable		27 944	15 363
Levy exempt creditors	14.2	5 604	5 604
SARS levy reversals - Employer mandatory grants underpaid (SARS adjustments)		4 991	1 331
UIF - levy refund *		3 571	-
Interseta Payables	23	83	94
		42 193	22 392

* In the current year, UIF contributions for a period of 6 months were paid to SETAs and not the UIF and hence a payable has been recognised to correct this. Levy income has also been adjusted accordingly.

14.2 Levy exempt creditors movement

	2012/13 R'000	2011/12 R'000
Opening balance	5 604	5 471
paid	-	-
additional provision created	-	133
Closing balance	5 604	5 604

This balance relates to levy-Exempt employers contributing levies to the HWSETA. The balance has arisen over a number of years, and will remain in creditors until direction is provided by the Department of Higher Education and Training

15 Trade and other payables: exchange transactions

Trade creditors
Staff leave accrual
SARS - PAYE/UIF and third party payables
Discretionary Grants Payable

2012/13 R'000	2011/12 R'000
4 016	5 859
815	1 130
582	521
8 793	2 811
14 206	10 321

The staff leave accrual is calculated by apportioning the annual salary to a daily cost which is then multiplied by the number of leave days accumulated at year-end.

16 Deferred government grants and donor funding

16.1 National Skills Fund (NSF) advance receipts

Opening balance
Received during the year/ (paid during the year)
Deposits current (NSF)

Less Utilised and recognised as income or against accrual as conditions met
Learners allowance
Training provider
Learners uniform

2012/13 R'000	2011/12 R'000
(1)	(1)
-	-
-	-
(1)	(1)
-	-
-	-
-	-
-	-
(1)	(1)
Made up as follows:	
Receivable	(1)
Payable	-
(1)	(1)

Note that in the current and prior year there were no NSF projects.

17 CONTINGENCIES

- 17.1 In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. Formal approval has not been obtained from the National Treasury to retain the surplus funds of 2012-13. Surplus funds of 2011-2012 was approved by the National Treasury. The application for approval was sent to the National Treasury at 31 May 2013.
- 17.2 A letter of demand was received from attorneys after year end 2008-09, acting on behalf of a consulting firm demanding R823 267 from the HWSETA. This was for a contract that was not awarded to them. There is no indication that this demand will succeed in favour of the plaintiff. No further progress has been made on this claim in the current financial year. However, application to the courts to hear the case has been made. Total possible cost amounts to R250 000.
- 17.3 There are currently criminal cases pending against training providers, some of whom are not accredited with the HWSETA. These cases were opened in 2010 and 2011 respectively. The investigations are underway. Any costs relating to these cases cannot be determined at this time.
- 17.4 The Minister of Higher Education and Training and HWSETA was served with a notice of review application on 29 September 2011. HWSETA and current Board members are cited as second respondents. In terms of the Labour Court rules, the respondents filed the notice of opposition within the prescribed 10 days. The application is for the review and settling aside of the Minister's decision to appoint the HWSETA Board and approve the HWSETA constitution. Any possible costs to the HWSETA cannot be determined currently.

18 COMMITMENTS

18.1 Discretionary reserve

Of the balance of **R573 million** available in the Discretionary Reserve at the end of March 2013, **R278 million** has been approved and allocated for future projects and skills priorities as set out below.

	NSDS Objectives and Indicators	Opening balance 2011/12 R-'000	Approved by Accounting Authority and committed -2012-2013 R-'000	Commitments released -2012/13 R-'000	Utilised-2012/13 R-'000	Closing balance 2012/13 R-'000
Leaverships	NSDS III	156,323	50,152	-82,354	-39,513	84 608
SME Training support	NSDS III	-	5,000	-	-	5 000
Co-operatives for funding 2012-13	NSDS III	4,500	-	-2,355	-	2 145
Pre-apprenticeship training	NSDS III	-	2,000	-222	-	1 778
Post Graduate WEG	NSDS III	-	420	-	-	420
Limpopo Dept of SD - Social Work Graduates	NSDS III	-	18,000	-	-	18 000
learnership - SAW - SAWID	NSDS III	-	795	-	-	795
Nelson Mandela Met University - Nursing	NSDS III	-	3,764	-	-	3 764
Artisan Training	NSDS III	-	16,860	-	-	16 860
Carreer guide	NSDS III	-	118	-	-	118
Disability project	NSDS III	6,500	-	-410	-	6 090
Rural community projects		12,500	-	-12,500	-	-
Partnership with NDH - NHI	NSDS III	10,000	-	-10,000	-	-
DEAFSA projects	NSDS III	10,000	8,081	-11,157	-	6 924
Partnership with Western Cape DOH - Youth Employment Project	NSDS III	1,500	-	-1,500	-	-
Other Public Sector Partnerships and DSD	NSDS III	25,000	-	-25,000	-	-
Internships	NSDS III	1,213	-	-168	-998	47
Skills Programmes	NSDS III	2,483	1,249	-	-1,501	2 231
Bursaries	NSDS III	4,078	11,635	-3,976	-45	11 692
ABET	NSDS III	3,863	-	-2,038	-757	1 068
Institute of Sectoral Excellence	NSDS III	2,883	-	-	-85	2 798
Workplace Experience	NSDS III	2,627	-	-1,007	-200	1 420
BEE Research	NSDS III	939	-	-246	-	693
Levy Exempt	NSDS III	3,251	4,932	-922	-767	6 494
Special Funding	Special projects	7,418	14,329	-	-18,343	3 404
Assessor/Moderator Training	ETQA	2,132	-	-	-728	1 404
Development of Qualification Assessment	ETQA	1,191	-	-	-	1 191
New Venture Creation	NSDS III	1,957	-	-1,470	-399	88
Curriculum and learning	ETQA	365	-	-	-84	281
Review of qualifications	ETQA	2,950	-	-	-	2 950
PWD internships	Internal project	3,195	-	-	-353	2 842
IPAP	NSDS III	8,559	-	-5,902	-2,537	120
ECD - level 5	NSDS III	-	23,100	-11,616	-	11 484
Skills for care Strategy implementation	Research	3,000	-	-	-	3 000
M and E projects	Research	154	467	-	-487	134
Impact study	Research	-	1,800	-	-440	1 360
Voucher system	NSDS III	2,115	-	-2,115	-	-
National certificate vocational	ETQA	2,920	-	-	-	2 920
SFC Project	Research	1,459	-	-859	-	600
Total project commitment approved and contracted		285 075	162 702	(175 817)	(67 237)	204 723

	2012/13 R'000	2011/12 R'000
TOTAL DISCRETIONARY GRANTS COMMITTED	204 723	285 075
Ageing of commitments:	204 723	285 075
2012-2013	82 934	-
2011-2012	42 525	155 595
2010-2011	31 814	97 880
2009-2010	24 320	23 306
2008-2009	22 622	8 294
2007-2008	400	-
2006-2007	108	-

18 COMMITMENTS (Continued)

Approved but not yet contracted:

Artisan projects	NSDS III	Discretionary funds	-	7 200
Skills programmes	NSDS III	Discretionary funds	-	945
Learnerships	NSDS III	Discretionary funds	44 973	89 320
Skills Development Facilitator skills programme	NSDS III	Discretionary funds	4 500	-
Pre-Apprenticeship Training - FET College learners	NSDS III	Discretionary funds	2 000	-
Research bursaries for post graduate programmes	Research bursaries	Discretionary funds	3 900	-
Rural Community project - ECD Level 4	NSDS III	Discretionary funds	9 900	-
Skills Enhancement project	Training Layoff	Discretionary funds	4 000	-
Training Layoff Scheme	Training Layoff	Discretionary funds	4 000	8 000
Impact Studies	RIME project	Discretionary funds	-	1 800
			73 273	107 265

These projects were approved by the Authority but no legal contracts were entered into with third parties to start such projects. Some of the projects identified in the prior year in this category have been contracted and have started and therefore are now commitments.

TOTAL DISCRETIONARY GRANTS COMMITTED(Contracted and not yet contracted) **277 996** **392 340**

18.2 OPERATING COMMITMENTS

Approved and contracted:

	2012/13 R'000	2011/12 R'000
Procurement of furniture and fittings	-	434
Procurement of IT equipment	1 428	0
	1 428	434
TOTAL COMMITMENTS- DISCRETIONARY AND OPERATING	279 424	392 774

19 Operating Leases

HWSETA as lessee:

Minimum lease payments under operating leases recognised as expense in the year

At the balance sheet date, HWSETA has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2012/13 R'000	2011/12 R'000
Not later than one year	5 280	5 562
Later than one year but not later than five years	5 731	11 330
Later than five years	-	-
	11 011	16 892

The operating leases relate to the following rental contracts entered into by the HWSETA:

LESSEE	EFFECTIVE DATE	TERMINATION DATE	OFFICE
Meadow Star Investments	01 April 2010	31 March 2015	Johannesburg
Atrolor (Pty) Ltd.	01 September 2010	31 August 2013	East London
Old Mutual	01 December 2010	30 November 2012	Durban
Gensec Properties	01 March 2011	28 February 2012	Cape Town
Seeff	01 August 2011	31 July 2013	Polokwane

Annual escalations

Location	Annual escalation rate	Current year expense	Future lease commitment
Durban office	10%	108	-
East London	10%	166	72
Cape Town	9%	206	-
Johannesburg	10%	4 753	11 174
Polokwane	7%	245	84

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

The following material losses through criminal conduct, irregular, fruitless and wasteful expenditure were incurred during the year ended 31 MARCH 2013.

	2012/13 R'000	2011/12 R'000
1. Expenses incurred for non-cancellation of security contract	4	9
2. Payment of board fees to official members in contravention of treasury regulations and condoned by the Authority. These payments were made to official Board members before clarity was sought from the Executive Authority due to the uncertainty of how these board members were to be remunerated. The matter has now been resolved, however the remaining balance was expensed as Governance costs.	-	27
3. For the procurement of venue hire, the HWSETA received three written quotations. As the amount of purchase was above R30 000, the suppliers were supposed to be scored in terms of the PPPFA. It was oversight that the scoring was not performed and the supplier selected according to unit price, and facilities available.	-	46
	<u>4</u>	<u>82</u>

21 EVENTS AFTER BALANCE SHEET DATE

There are no post balance sheet events of a significant nature which requires adjustment to or needs disclosure in these annual financial statements.

22 FINANCIAL INSTRUMENTS

In the course of the HWSETA's operations it is exposed to interest rate, credit, liquidity and market risk. The HWSETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below. Financial instruments have not been discounted as they will all be settled or recovered within 3 months. The effect of discounting was found and considered not to be material.

Interest rate risk

The HWSETA manages its interest risk by effectively investing surplus funds in term deposits and call accounts with different accredited financial institutions according to the HWSETA investment policy. Any movement in interest rates will affect interest income. Interest income is utilized for additional discretionary grants and therefore will not affect the operations of the HWSETA adversely. The HWSETA'S exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are as follows:

	Floating rate		Non-interest bearing Amount R'000	Total Amount R'000
	Amount R'000	Effective interest rate		
Year ended 31 March 2013				
<i>Total financial assets</i>				
Cash	624 124	3.60%	-	624 124
Accounts receivable			2 771	2 771
<i>Total financial liabilities</i>			(14 206)	(14 206)
	624 124		(11 435)	612 689
Year ended 31 March 2012				
<i>Total financial assets</i>				
Cash	478 167	4.51%	-	478 167
Accounts receivable			15 560	15 560
<i>Total financial liabilities</i>			(10 321)	(10 321)
	478 167		5 239	483 406

Financial instruments consist of receivables, cash and cash equivalents and payables. All financial assets are categorised as loans and receivables at amortised cost and all financial liabilities as financial liabilities at amortised cost. The total carrying values of the various categories of financial assets and financial liabilities at the reporting date is as follows:

	2013 R'000	2012 R'000
Financial assets at amortised cost	628 685	499 232
Cash and cash equivalents	624 124	478 167
Receivables from exchange transactions	2 771	15 560
Receivables from non - exchange transactions	1 790	5 505
Financial liabilities at amortised cost	56 399	32 713
Payables from exchange transactions	14 206	10 321
Payables from non-exchange transactions	42 193	22 392

Credit risk

Financial assets, which potentially subject the HWSETA to the risk of non performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents and accounts receivable.

The HWSETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. Credit risk in respect of SARS is limited, as it is a government entity of sound reputation. Staff debts are recovered through the payroll.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The HWSETA does not have any material exposure to any individual or counter-party. The HWSETA's concentration of credit risk is limited to the industry in which it operates. No events occurred in the health and social development sector during the 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 debts.

The aging of receivable from exchange transactions:

	2012/13		2011/12	
	Gross	Impairment	Gross	Impairment
Not past due				
0-30 days	1 170	-	15 514	-
31-120 days	-	-	-	-
120-365 days	-	-	-	-
Over a year	1,601	-	46	-
	2 771	-	15 560	-

Liquidity risk

The HWSETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows. Adequate reserves and liquid resources are also maintained.

The aging of payables from non-exchange transactions:

	2012/13		2011/12	
	Gross	Impairment	Gross	Impairment
Not past due				
0-30 days	5 413	-	1,093	-
31-120 days	-	-	8,857	-
120-365 days	8,793	-	-	-
Over a year	-	-	371	-
Carrying amount	14 206	-	10 321	-

22 FINANCIAL INSTRUMENTS (Continued)

Market risk

The HWSETA 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 HWSETA is aware of.

Fair values

The HWSETA'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

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts payable

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

23 RELATED PARTY TRANSACTIONS

The executive authority of the HWSETA is the **Department of Higher Education and Training (DHET)**. There were no transactions with the DHET.

Transactions with other SETAs:

Inter-seta transactions and balances arise due to the movement of employers from one SETA to another. No other transaction occurred during the year with other SETAs.

The balances at year - end included in the receivables and payables are:

	2012/13 R'000		2011/12 R'000	
	Transfers in/(out) during the year	Amount receivable/(payable)	Amount of the transaction	Amount receivable/payable
Related party				
Receivables	156	(144)	(31)	(144)
Food beverage	-	(27)	-	(27)
Agri Seta	-	(7)	-	(7)
Services Seta	-	(49)	(4)	(49)
ETDP	-	(41)	-	(41)
W&R Seta	6	(3)	(9)	(3)
Fasset	-	(2)	(18)	(2)
B SETA	-	-	-	-
In seta	150	(15)	-	(15)
Payables	-	(83)	(76)	(94)
Sasset	-	-	-	-
Merseta	-	(61)	(46)	(61)
Inseta	-	-	-	-
W&R Seta	-	(3)	(3)	(3)
ETDP	-	-	-	-
Agri Seta	-	(3)	-	(3)
ISETT	-	-	-	-
Services Seta	-	(10)	(10)	(10)
Food and beverage	-	-	-	-
CHIETA	-	(6)	(17)	(17)
TETA	-	-	-	-
MOA	-	-	-	-
Total	156	(227)	(107)	(238)

23 RELATED PARTY TRANSACTIONS (continued)

	2012/13	2011/12	2012/13	2011/12
	Admin. Contributions R'000	Admin. Contributions R'000	Discretionary Grants Paid R'000	Discretionary Grants Paid R'000
National				
Health	479	424	2 146	2 413
Social Development	308	268	3 303	-
Provincial				
Western Cape				
Health	3 541	3 116	583	-
Social Development	478	458	-	-
Eastern Cape				
Health	5 709	5 378	3 514	4 576
Social Development	957	805	-	-
Gauteng				
Health	15 055	14 502	5 473	-
Social Development	781	712	-	-
Free State				
Health	1 525	1 453	-	-
Social Development	394	340	-	-
Northern Cape				
Health	947	226	-	517
Social Development	234	-	91	-
Mpumalanga				
Health	-	3 842	-	-
Social Development	-	324	-	-
Limpopo				
Health	2 702	2 569	1 209	1 403
Social Development	435	353	3 140	-
KwaZulu				
Health	10 105	8 588	761	892
Social Development	810	725	-	-
North West				
Health	3 900	3 618	215	-
Social Development	-	421	-	-
	48 360	48 122	20 435	9 801

Government Departments contribution of levies to the HWSETA is used for the administration of the HWSETA.

24 LEASE SMOOTHING

The lease of the office premises was smoothed over the lease term to equalise the future escalations in the lease payments. The smoothing for the year was as follows:

	2012/13 R'000	2011/12 R'000
Asset/(liability)	-	-
Less: short term portion of smoothing liability	(863)	(645)
	(863)	(645)

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

	2012/13 R'000	2011/12 R'000
Net surplus as per Income Statement	105 886	99 185
Adjusted for non-cash items:		
Net profit/Loss on disposal	-	-
Reversal of grant provision	-	-
Depreciation	702	792
Amortisation	201	235
Impairment of assets	-	-
Investment income	(22 468)	(20 716)
Finance costs	-	-
Adjusted for working capital changes:	40 074	(43 533)
(Increase)/decrease in inventory	324	(399)
(Increase)/decrease in receivables	15 847	(17 509)
Decrease in smoothing lease	218	541
Increase in short portion of finance lease	-	-
Increase/(decrease) in payables	23 685	(26 166)
Cash generated from operations	124 395	35 963

26 Critical Accounting judgment and key sources of estimation uncertainty

In the application of HWSETA's accounting policy management is required to make judgment, 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 of the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

Key sources estimation uncertainty

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

Useful lives of property, Plant and Equipment

The HWSETA reviews the estimated useful lives of property, plant and Equipment at the annual reporting period, refer to note 8 for the carrying values of property, plant and equipment .

The following rates are used for depreciation of Property, Plants and Equipment

Computer Equipment	16.66% - 33.33%
Computer Software	16.66% - 33.33%
Office furniture and fittings	6.66% - 10%
Office equipment	10% - 16.66%
Motor vehicles	12.5% - 20%

The HWSETA have reviewed the residual values used for the purpose of depreciation calculation in the light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

27 New Accounting Pronouncements

The following GRAP statements have been approved but which the Minister of Finance has not yet determined an effective date for implementation:

GRAP 25: Employee costs - HWSETA would need to account for short-term and long term employee benefits in accordance with GRAP 25 in from 01 April 2013.

28 Board remuneration

Financial year 2012/13						
Names	Designation	Total	Allowances		S & T Allowances	
			Board fee	Meeting Attendance	Reimbursement	Cell Phone
		R	R	R	R	R
Ms N January-Bardill	Chairman	174,054	83,151	75,108	4,795	11,000
Ms F Fayers	Board/Exco Member	125,067	49,872	60,018	9,677	5,500
Mr R Van Loggerenberg	Board/Exco Member	11,159	-	-	5,659	5,500
Ms R Fakroodeen	Board/Exco Member	4,184	-	-	1,434	2,750
Mr D Shardlow	Board/Exco Member	95,272	46,548	36,520	12,204	-
Mr H Sekhilla	Board/Exco Member	77,540	23,999	38,404	9,637	5,500
Mr P Motubatse	Board Member	90,891	48,487	28,156	14,248	-
Mr W Montjane	Board Member	94,116	51,720	37,854	4,542	-
Mr A Seirlis	Board Member	88,567	45,255	35,401	7,911	-
Ms E Zondo	Board Member	5,028	-	2,406	2,622	-
Ms E Strachan	Board Member	101,323	38,790	44,463	18,070	-
Ms I Smith	Board Member	85,774	38,311	35,336	12,127	-
Ms T Ngcobo	Board Member	169,395	55,834	96,958	16,603	-
Ms K Maluleke	Board Member	58,027	33,059	21,646	3,322	-
Dr C Moloko	Board Member	25,956	18,231	7,725	-	-
Mr F Moatshe	External Finance Committee Member	2,363	-	-	2,363	-
Total		1,208,716	533,257	519,995	125,214	30,250

NB: The above amounts are before taxation

Audit Committee Remuneration

Financial year 2012/2013				
Names	Designation	Total	Meeting Attendance	S&T
		R	R	R
Mr V Magan	Independent Audit Committee Member	36,618	35,424	1,194
Mr RG Nicholls	Independent Audit Committee Member	79,404	78,184	1,220
Mr LZ Fihlani	Independent Audit Committee Member	34,579	33,630	949
Total		150,601	147,238	3,363

Senior Management Remuneration

Financial year 2012/2013							
Names	Designation	Total	Basic	Acting/leave payout	Travel	Cell Phone	Bonus
		R	R	R	R	R	R
Ms YD Mbane	CEO (01 Sep 2012 to 31 March 2013)	685,023	608,416	-	70,000	6,607	-
Mrs E Brass	ACTING CEO (01 April to Aug 2012)	506,603	367,882	85,293	50,000	3,428	-
Mrs E Brass	CFO	638,813	522,210	-	70,000	3,989	42,614
Ms D Pillay	ACTING CFO (01 April to Aug 2012)	339,820	245,567	50,403	40,000	3,850	-
Mr PC Samuels	Executive Manager - SDP	901,393	761,658	-	72,000	6,050	61,685
Mr SB Gcabashe	Executive Manager - RIME	913,167	731,482	-	120,000	-	61,685
	Executive Manager - CS (01 April - Oct 2012)	523,944	390,853	-	70,000	4,400	58,691
Mr L Motsherane		784,880	664,880	-	120,000	-	-
Mr NT Seotsanyana	Executive Manager - ETOA						
Total		5,293,643	4,292,948	135,696	612,000	28,324	224,675

Financial year 2011/12

Names	Designation	Total	Meeting fees	S & T Allowances		
			Attendance	Reimbursement	Cell phone	Audit Committee fees
		R	R	R	R	R
Ms N January-Bardill	Chairman	195 362	176 587	5 575	13 200	-
Mr P Motubatse	Board Member	105 088	86 707	12 717	-	5 664
Mr H Sikhilla	Board Member	28 208	11 766	9 842	6 600	-
Ms F Fayers	Board Member	144 649	127 315	10 734	6 600	-
Mr R Van Loggerenberg	Board Member	14 975	4 621	6 504	3 850	-
Mr W Montjane	Board Member	107 559	99 010	8 549	-	-
Mr A Seirlis	Board Member	99 795	90 974	8 820	-	-
Mr D Shardlow	Board Member	130 926	117 032	12 049	-	1 845
Ms E Zondo	Board Member	22 285	18 790	3 496	-	-
Ms M Smith	Board Member	31 592	30 800	792	-	-
Ms T Ncgobo	Board Member	84 824	58 932	25 891	-	-
Ms S Barsel	Board Member	5 320	4 200	1 120	-	-
Ms E Strachan	Board Member	108 914	94 514	14 401	-	-
Ms R Fakroodeen	Board Member	23 888	15 838	4 200	3 850	-
Ms I Smith	Board Member	106 429	100 526	5 903	-	-
Ms D Howitson *	Board Member	782	-	782	-	-
Dr L Tsiu	Board Member	21 457	-	21 457	-	-
Ms T Ngubo	External Advisor	7 000	7 000	-	-	-
Total		1 239 054	1 044 613	152 832	34 100	7 509

* Ms D Howitson was a board member in 2010/11. Amounts paid to her in the 2011/12 year are in respect of reimbursements for expenses claims for 2010/11.

28 Board remuneration (Cont.)

Audit Committee Remuneration Financial year 2011/12

Names	Designation	Total	Meeting Attendance	S&T
		R	R	R
Mr V Magan	Independent Audit Committee Member	48 172	47 308	864
Mr RG Nicholls	Independent Audit Committee Member	66 211	64 801	1 410
Mr D Coovadie	Independent Audit Committee Member	36 016	34 233	1 783
Mr L Fihlani	Independent Audit Committee Member	19 806	19 470	336
Total Amount Paid		170 205	165 812	4 393

Senior Management Remuneration Financial year 2011/12

Names	Designation	Total	Basic	Acting/leave payout	Travel	Cell Phone	Bonus
		R	R		R	R	R
Mr PC Smit	Chief Executive Officer	883 507	728 188	68 422	-	7 016	79 881
Mrs E Brass	Acting Chief Executive Officer - 5 Months	437 692	384 841	-	50 000	2 851	-
Mrs E Brass	Chief Financial Officer	679 455	538 777	-	70 000	3 659	67 019
Ms D Pillay	Acting Chief Finance Officer - 5 Months	292 796	251 146	-	40 000	1 650	-
Mr L Motsherane	Executive - CS Division	878 336	698 150	-	120 000	6 600	53 586
Mr PC Samuels	Executive - SDP	928 212	793 135	-	72 000	6 597	56 480
Mr SB Gcabashe	Executive - Rime	937 688	761 208	-	120 000	-	56 480
Mr N Seotsanyane	Executive - ETQA	838 989	718 439	-	120 000	550	-
Total		5 876 675	4 873 884	68 422	592 000	28 923	313 446

29 Presentation of budget information

Reconciliation of budget surplus with the surplus in the statement of financial performance - 2012-13

	R'000
Net surplus per the statement of financial performance	105,886
Adjusted for:	
Impairments recognised	-
Surplus on sale of assets	-
Loss on scrapping of assets	-
Increase/decrease in provisions	-
Effect of smoothing relating to operating leases	-
Adjustments relating to Finance charges for finance leases on rental	-
	105,886
Less capital expenditure	
Participation on mandatory grants	-31,924
Utilisation of reserves for discretionary grants	-9,846
Underspending on administration expenses	-6,752
	-48,522
Exceeded budget collection of revenue	-53,864
Net surplus per approved budget before capital expenditure	3,500

Factor resulting in major variances between actual costs and budgeted costs:

As per the Statement of Comparison between Budget and Actual costs,

- Internal audit costs increased as a result of extension of scope on the ETQA internal audit and many of the prior year planned projects being conducted in the current year.
- Consulting fees increased significantly from budget due to unplanned expenditure for an Organisational Development exercise which included a Business Analysis, all of which was approved by the Authority
- Legal fees were higher than planned expenditure due to unexpected costs for legal representation for disciplinary and CCMA cases.
- Printing and Stationery costs exceed budget as result of an increase in operational activity.

	Original approved budget at start of year 2012-13	Final Approved Budget 2012-13	Difference
	R'000	R'000	R'000
Levy income	234 325	248 394	14 069
Government levy contributions	36 500	43 000	6 500
Investment income - interest	9 000	15 000	6 000
Levy income penalties	1 000	1 000	-
Other income	-	-	-
Total Income	280 825	307 394	26 569
Total Expenditure	277 325	303 894	26 569
Administration expenditure	62 418	71 692	9 274
Mandatory grants expenditure	146 338	155 118	8 780
Discretionary grant expenditure	68 569	77 084	8 515
Surplus for the period	3 500	3 500	-
Less capital expenditure	3 500	3 500	-
Surplus after capital expenditure	-	-	-

The adjustments to the originally approved budget of 2012-2013 (approved in August 2012), were made due to information available six months into the 2012-2013 financial year. Certain assumptions that accompanied the original budget were then tested, and actual operational needs had changed in some instances. The HWSETA was able to increase administration expenditure based on good collections from Government Departments.

Reconciliation of budget surplus with the surplus in the statement of financial performance - 2011-2012

	R'000
Net surplus per the statement of financial performance	99 185
Adjusted for:	
Impairments recognised	-
Surplus on sale of assets	-
Loss on scrapping of assets	-
Increase/decrease in provisions	-
Effect of smoothing relating to operating leases	-
Adjustments relating to Finance charges for finance leases on rental	-
	<u>99 185</u>
Less capital expenditure	<u>99 185</u>
Participation on mandatory grants	(53 998)
Utilisation of reserves for discretionary grants	(16 105)
Underspending on administration expenses	<u>(3 673)</u>
	<u>(73 776)</u>
Exceeded budget collection of revenue	<u>(23 609)</u>
Net surplus per approved budget before capital expenditure	<u><u>1 800</u></u>

	Original approved budget at start of year 2011-12 R'000	Final Approved Budget 2011-12 R'000	Difference R'000
Levy income	182 323	226 806	(44 483)
Government levy contributions	31 800	35 700	(3 900)
Investment income - interest	17 397	15 000	2 397
Levy income penalties	-	2 397	(2 397)
Other income	-	-	-
Total Income	<u>231 520</u>	<u>279 903</u>	<u>(48 383)</u>
Total Expenditure	<u>231 019</u>	<u>278 103</u>	<u>47 084</u>
Administration expenditure	54 092	62 374	8 282
Mandatory grants expenditure	114 007	141 641	27 634
Discretionary grant expenditure	62 920	74 088	11 168
Surplus for the period	<u><u>501</u></u>	<u><u>1 800</u></u>	<u><u>(1 299)</u></u>
Less capital expenditure	501	1 800	(1 299)
Surplus after capital expenditure	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

1. ACRONYMS USED

ABET	-	Adult Basic Education and Training	NSDS	-	National Skills Development Strategy
AFS	-	Annual Financial Statements	NQF	-	National Qualifications Framework
ATRs	-	Annual Training Reports	NSF	-	National Skills Fund
CS	-	Corporate Services	OFO	-	Organising Framework for Occupations
DoL	-	Department of Labour	PFMA	-	Public Finance Management Act
DoH	-	Department of Health	QCTO	-	Quality Council for Trades and Occupations
DoHET	-	Department of Higher Education and Training	RIME	-	Research, Information, Monitoring and Evaluation Programme
DSD	-	Department of Social Development	RPL	-	Recognition of Prior Learning
EDP	-	Executive Development Programme	SAQA	-	South African Qualifications Authority
ETQA	-	Educations and Training Quality Assurance	SDFs	-	Skills Development Facilitators
ETD	-	Education, Training and Development (Practitioners)	SDL	-	Skills Development Levy
EXCO	-	Executive Committee	SDP	-	Skills Development Planning
FETs	-	Further Education and Training (Colleges)	SETA	-	Sector Education and Training Authority
FU	-	Finance Unit	SGB	-	Standards Generating Body
GDS	-	Growth and Development Summit	SLA	-	Service Level Agreement
HASA	-	Hospital Association of South Africa	SMMEs	-	Small, Micro, Medium Enterprises
HDSA	-	Historically disadvantaged South Africans	SSP	-	Sector Skills Plan
HR	-	Human Resources	SWOT	-	Strengths, Weaknesses, Opportunities and Threats
HSRC	-	Human Science Research Council	WSPs	-	Workplace Skills Plans
H&S	-	Health and Safety			
ISO	-	International Standards Organisation			
IT	-	Information Technology			
MERP	-	Monitoring, Evaluation and Reporting Plan			
MIS	-	Management Information Systems			

ANNUAL GENERAL MEETING

25 October 2012

Stakeholders were given, the opportunity to meet with staff members, managers and executive managers prior to the staging of the AGM on 25 October 2012 in Kimberley.

The morning session was well attended by stakeholders who travelled from as far afield as Upington and neighbouring towns such as Douglas.

Attendance by a large number of non governmental organisations was noticeable as were representatives of organisations dealing with disability, women and children and representatives from our stakeholder organisations, public and private. Promotional gifts, including the beaded lanyards and the bags were sourced from organisations dealing with disability.

Lunch was served in the foyer at the Legislature in Galeshewe before the hosting of the AGM in the state-of-the-art auditorium at the Legislature in the afternoon.

THE ANNUAL GENERAL MEETING (AGM) for the financial year 2012-2013 will be held in the Eastern Cape on Thursday, 24 October 2013. The venue will be Port Elizabeth.



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