

2013–2014

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# Annual Report



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



Health and Welfare Sector  
Education and Training Authority

**HWSETA**

## Our Vision

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

## Our Mission

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

## Our Values

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The HWSETA holds dear the following core values:

- Integrity
- Transparency
- Transformation
- Service Excellence



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

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**Nozipho January-Bardill**  
Chairperson

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It is my pleasure to present to you the Annual Report of the Health and Welfare SETA for the financial year ended 31 March 2014

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## Publisher

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



Health and Welfare Sector  
Education and Training Authority

**HWSETA**

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“Employers went the extra mile with the intake of learners in the workplace for various skills development projects. This assisted the HWSETA in exceeding expectations in other areas. However, the 61% participation rate is not enough given the challenges in the sector.”

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*CEO's Report*



## Section 1

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# General Information

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Chairperson's Report

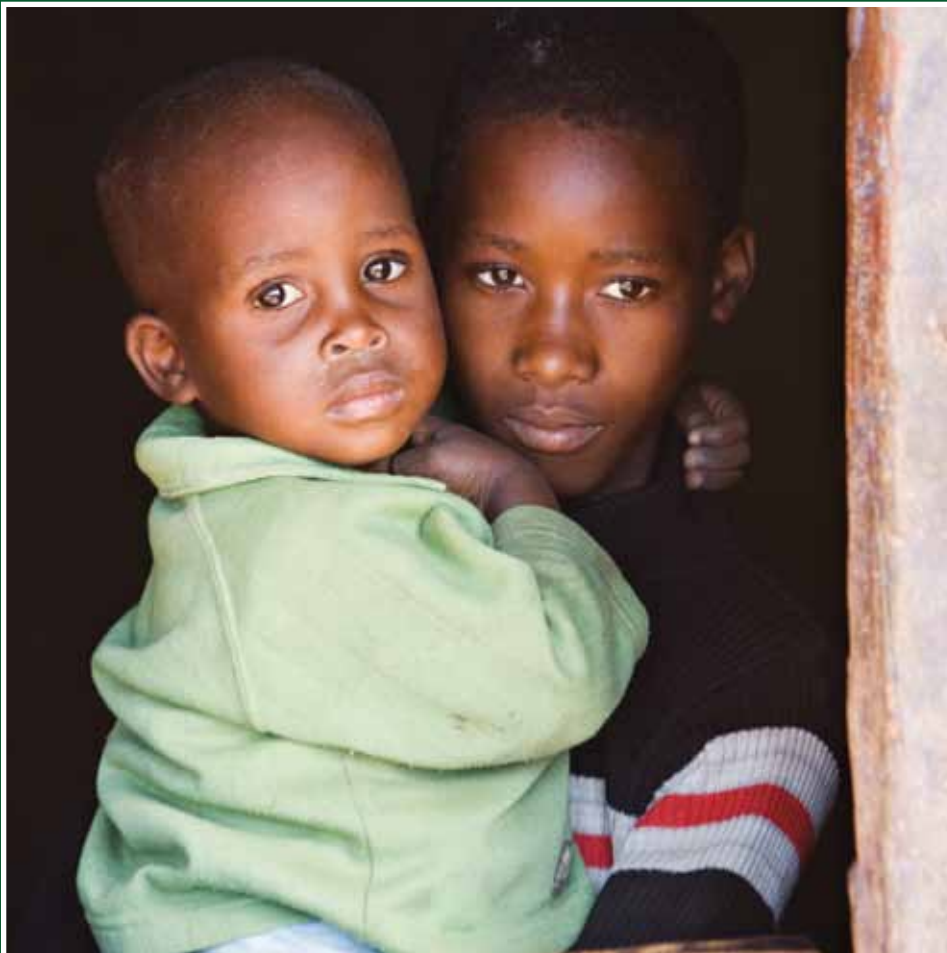
Chief Executive Officer's Report

Governance Structures

Legal Advisor's Office

2013/14 Service Level Agreement Dashboard

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## Chairperson's Report

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**Nozipho January-Bardill**  
Chairperson of the Board

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The year 2013/14 has been an exciting one for the authority to realise the impact of the measures put in place to accelerate the delivery and attainment of the NSDS III targets in the past year. It was also a time for mid-term assessment so that extra measures are put in place to ensure realisation of the goals and achievement of the 5 year targets by 31 March 2016.

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Planning to wind up key deliverables of the NSDS III is to be undertaken now. The HWSETA had to achieve the targets as set out in the Annual Performance Plan and stretched targets as stipulated in the Service Level Agreement entered into with the Department of Higher Education and Training.

The HWSETA was able to get an unqualified audit. Although 80% of the targets have been achieved, and 18% are still work in progress, a concerted effort will be made to improve on performance reporting. Mechanisms have been put in place to inculcate a culture of ongoing monitoring and reporting. The fruits of this initiative should be realised in the year to come, as the culture coupled with risk management matures. This is an improvement compared to the past year given the fact that all this has been achieved with the same resources and under challenging conditions of decentralisation.

The decentralisation process as outlined in the Delivery Model led to acquisition of more office space at head office as well as in provinces. Provincial Offices have relocated to areas within close proximity of public transport and other SETAs.

### Governance

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The Standing Committees of the Board are functional and effective to create an enabling environment for the Executives to deliver on the mandate. This led to a significant increase in the commitments to fund projects. The Board has implemented last year's recommendation of its assessment by engaging more with the stakeholders.

Provincial Stakeholder sessions of the board were held in the Free State, Mpumalanga, Eastern Cape and North West. Furthermore, an Innovation session was held for the health and the social development sectors separately to identify challenges in the sector and explore ways of resolving them as a collective.

A new Audit Committee was appointed as well as PWC as internal Auditors. The Risk Management processes have matured and the risk register is updated on a regular basis and is being monitored by Exco and the Board.

### Capacity to deliver

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During the year under review, the board appointed two Executives for Corporate Services and ETQA respectively. Provincial Managers have been appointed. This was to ensure that the Service Charter is implemented.

Enabling policy review processes such as Business analysis were concluded and the recommendations will be implemented in the coming year. The process of reviewing policies and tightening controls in the ETQA area has commenced and will be concluded in the year to come. Provincial capacity has been augmented by way of permanent staff and interns. Resource persons have been appointed in areas where the HWSETA has a satellite office at some of the TVET Colleges.

### Financial Management

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The HWSETA remains committed to sound financial management. There were no significant cases of wasteful, fruitless or irregular expenditure. The controls put in place by the Authority are working well. The recent Cabinet Circular required Government Departments to contribute 30% as compared to the 10% they have been contributing in the past years. There is still a challenge of compliance by the Government Departments. This will be resolved in the coming year when contributions are transferred through the National Treasury.

The HWSETA has committed, R633 million to fund skills development projects. Commitments rose from 48% to 88%. Expenditure was controlled within the available budget and cost containment measures led to savings. The HWSETA is in a healthy financial state and the impact of these investments will be realised in the next year and at the end of year 2015/16.

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### Information Technology

Effective Information Technology (IT) systems are considered an important enabler in the HWSETA meeting its performance objectives. During the year under review a process was initiated that would see the outsourced business software solution and Seta Management System (SMS) being replaced with an open source ERP solution.

Whilst an open source ERP solution presents many benefits to the HWSETA the main benefits are realised in no annual license fees; full control of systems and data; as well as improved management of IT systems. This is a process that will be continued in the new financial year.

### Conclusion

With the additional capacity at provincial level, the delegation of responsibilities and powers to the provincial offices, strengthening of relations with all critical role players in the sector, the HWSETA will reap a return on that investment. The services and stakeholder relations have improved, although there is a realisation that more can be done. The CEO and her team are expected to ensure that there is an improvement in planning and reporting of performance information.



Nozipho January-Bardill  
Chairperson of the Board



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Through its numerous programmes and skills development activities, the HWSETA is able to positively impact the lives of many young South Africans.

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**Yvonne Mbane**  
Chief Executive Officer

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For the year under review, 2013/14, the HWSETA received an unqualified audit opinion. There was a concerted effort to ensure that commensurate resources are allocated to meet the expectations of various stakeholders in the sector. This led to the HWSETA being able to meet most of the expectations as approved in the Annual Performance Plan, the Service Level Agreement and ad hoc demands of the immediate environment.

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The HWSETA had to double its efforts of improving service delivery and ensuring that skills development initiatives in the sector are accelerated to address the national challenge of poverty, inequality and unemployment. Therefore, a conscious decision was made to be biased towards rural communities and people with disabilities in the allocation of funding to various proposals. Furthermore, partnerships with universities and TVET colleges were strengthened to ensure national capacity for health and welfare programmes on training and development offered.

The following are the key issues addressed during the year under review:

#### **Resource Allocation**

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The new Grant Regulations introduced during the year under review had a significant effect on how the HWSETA conducted its business during this period. The HWSETA has improved on its investment in skills development initiatives. The expected spending rose to R228 million as compared to the R101 million of the past year. This resulted in 88% being committed from the discretionary grant reserves as compared to the 48% of last year. R 633 million is committed to fund various skills development projects such as learnerships and internships, skills programmes, bursaries and cooperatives. These are projects which have a direct impact on the communities and the economy at large.

The increase in spending and commitment is as a result of employers who are willing to accommodate more learners in their workplaces and the concerted effort by the HWSETA to meet the extended targets as per the Service Level Agreement concluded with the Department of Higher Education and Training.

#### **Service Delivery Improvement**

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With the decentralisation process, tight controls were put in place which led to reduction in wastage and ensuring that the HWSETA functions efficiently within the parameters of the approved budget. The cost drivers in administration were kept under tight control to reduce spending in administration without negatively impacting the business of the SETA. Therefore, the HWSETA was able to do more with less.

Various interventions were undertaken to bolster delivery at provincial level and to deal with challenges as reported. The staff in Head Office offered support and guidance to provinces on various matters to ensure the norms and standards of the Service Charter are adhered to. The control and oversight by the Executives and Committees of the Board went a long way to ensure provinces are capacitated to render the required service. In cases where excellent work was done, the HWSETA hopes to sustain that and improve in the areas where weaknesses were identified.

Various initiatives were undertaken to speed up delivery, particularly in the ETQA environment. A process of cleaning the database of both learners and skills development providers has commenced. This is aimed at ensuring credulity of information in the system and establishing more controls as a way of mitigating the risks of information contamination. This project will be concluded in the coming year.

The HWSETA, in partnership with universities, are in the process of developing training material which will be distributed in the coming year. The materials for two qualifications have been developed thus far. The others will be finalised in the coming year. This will expedite the accreditation process and ensure standardised material is used in the sector.



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### **Achievement of targets**

In the year under review, 80% of the targets were achieved or fully completed whereas 18% is work in progress. The HWSETA could not commence on 2% of its targets due to circumstances outside the control of the SETA.

The culture of accountability and regular reporting is being inculcated among the newly appointed management team. An early warning system has been put in place with regard to reporting on performance to ensure that the HWSETA improves on performance information reporting. Effectiveness of the tools which have been introduced will contribute towards efficiencies in the system and ultimately improve services and impact at community level.

Employers went the extra mile with the intake of learners in the workplace for various skills development projects. This assisted the HWSETA in exceeding expectations in other areas. However, the 61% participation rate is not enough given the challenges in the sector.

Efforts will be made that even the small employers put their hands on deck by opening their workplaces into training spaces. Ways of strengthening these partnerships with employers and the NGO sector are being explored for implementation in the coming years.

### **Capacity issues**

The HWSETA has in the year under review ensured that there is adequate capacity and capability to sustain the gains of 2012/13 and improve on areas of weakness which were identified. A new management team has been appointed and a new culture of taking responsibility and initiative is being inculcated by way of coaching sessions. The team will be trained on core management issues in the next year.

The Board has delegated certain responsibility to managers to expedite decision making. Increased capacity has been provided to the provincial offices and the footprint at the TVET colleges. In the coming year, this will be increased to ensure access to the HWSETA services by communities.

Processes, systems, procedures and policies were reviewed to identify any bottlenecks and non-compliance issues. The gaps identified will be closed in the next year through policy review and introduction of new systems. The culture of identifying risks and mitigating them at a strategic level is maturing in the HWSETA. This will be cascaded to the next level of management in the coming year.

### **Conclusion**

The HWSETA is in a good financial health and there are visible signs of improvement that require sustenance. However, the health and social development sectors need to offer support by ensuring that there are returns on the investments made during the year under review and the years to come. The HWSETA will accelerate its efforts on those areas where much has not been done in the coming year.



Yvonne Mbane  
Chief Executive Officer



Nozipho January-Bardill  
Chairperson of the Board

The HWSETA Board is the Accounting Authority of the HWSETA. The 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 3A 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.

## 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

The Board is constituted of 15 Board members representing various constituencies. It 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.

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;
- Any interested professional body or bargaining council with jurisdiction in the sector, which the DHET Minister considers appropriate for the sector, and
- Three members are ministerial appointees.

The HWSETA's Board membership is governed by the HWSETA's Constitution, representing:

- 3 independent members, who are ministerial appointees of which one is the Chairperson of the Board;
- 5 members representing organised labour;
- 5 members representing organised employers, of which two are representatives of government constituencies;
- 1 member representing People with Disabilities, and
- 1 member representing the Levy Exempt Sector

## Board Committees

### Executive Committee of the Board

The Board is assisted by its Executive Committee, which is comprised of 5 members from the Board. The Executive Committee meets monthly to assert strategic oversight over the HWSETA's affairs.

### Standing Committees

The Board has 5 Standing Committees, namely:

- Finance Standing Committee
- Tender Standing Committee
- Skills Development Standing Committee
- ETQA Standing Committee
- Corporate Services Standing Committee

The Standing Committees provide technical guidance and recommendations in key portfolio areas, as well as assist the Executive Committee.

### Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee is a standing committee with direct delegations from, and reporting to, the Board. It assists the Accounting Authority in its compliance, oversight, governance and fiduciary responsibilities within the prevailing legislative prescriptions. Furthermore, this committee is responsible for review and update of the risk analysis, by management and independently from internal audit.

The Audit, Risk and Governance Committee comprises 3 independent members who are recruited openly and are not members of the Board. The remaining two members of this committee stem from the Board.

This committee 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.

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New Audit Committee Members were appointed during the period under review as follows:

- Mr Rayhaan Adam  
(Appointed 1 September 2013)
- Mr Siphephele Madikizela  
(Appointed 1 September 2013)

#### **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 which are audited annually by the Internal Auditors and the Auditor-General South Africa. 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.

#### **Meeting Attendance**

##### **Fees for Board Members**

Board members are not staff members of the HWSETA, and they do not receive any salaries or benefits. Board members are employers of the HWSETA staff, and as such serve the 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.

During the period under review, Mr Hennie Groenewald, representing the Employer Constituency, was appointed to the Board on 23 April 2013.

#### **Executive Management**

In the year under review, the Accounting Authority appointed the following Executive Managers:

- Mr Bob Pardesi – Executive Manager for Corporate Services in May 2013
- Ms Jane Motubatse – Executive Manager for ETQA in December 2013

## Board Members of the HWSETA

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Ms Nozipho January-Bardill  
Ministerial Appointee  
Appointed: 1 Apr 2011



Ms Thembi Ngcobo  
Ministerial Appointee  
Appointed: 1 Apr 2011



Dr Confidence Moloko  
Ministerial Appointee  
Appointed: 18 Jun 2012



Ms Emma Zondo  
Labour  
Appointed: 1 Apr 2011

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Mr Wandile Montjane  
Labour  
Appointed: 1 April 2011



Mr Pat Motubatse  
Labour  
Appointed: 1 Apr 2011



Ms Elsette Strachan  
Employer  
Appointed: 1 Apr 2011



Mr Derek Shardlow  
Employer  
Appointed: 1 Apr 2011

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Mr Hennie Groenewald  
Employer  
Appointed: 23 Apr 2013



Ms Iveda Smith  
Levy-exempt Sector  
Appointed: 1 Apr 2011



Mr Aristides Seirlis  
People with Disabilities  
Appointed: 1 Apr 2011

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**Ms Fazeela Fayers**  
Labour  
Appointed: 1 Apr 2011



**Mr Hitler Sekhitla**  
Labour  
Appointed: 1 Apr 2011

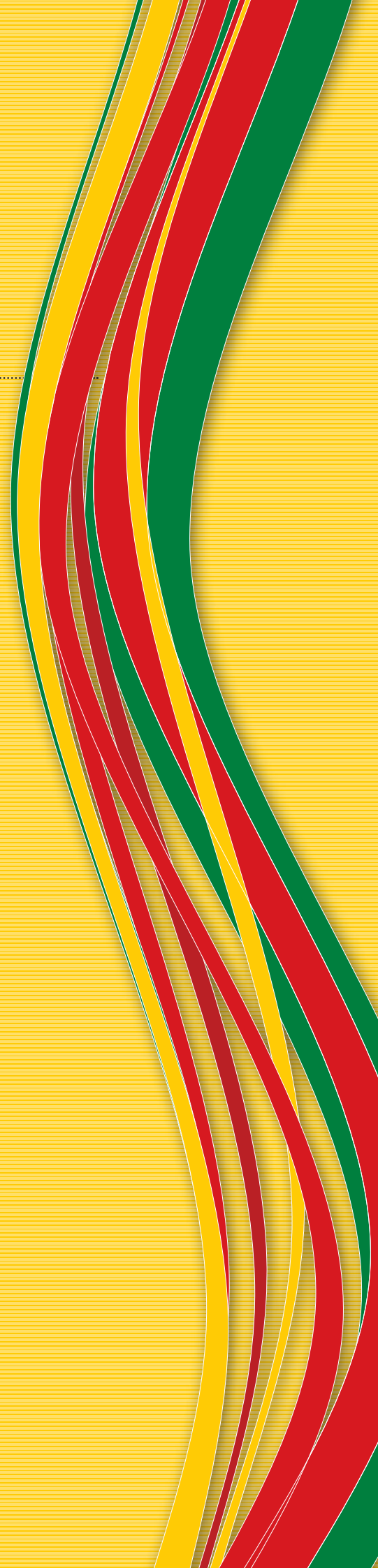


**Ms Kidi Maluleke**  
Employer  
Appointed: 18 Jun 2012



**Mr Rudie van  
Loggerenberg**  
Employer  
Appointed: 1 Apr 2011

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# Governance Structures

for the period 1 April 2013 to 31 March 2014

**Table 1: Board Members of HWSETA**

Board Member	Constituency Represented	Date Appointed
Ms Nozipho January-Bardill	Ministerial Appointee	1 April 2011
Ms Thembi Ngcobo	Ministerial Appointee	1 April 2011
Dr Confidence Moloko	Ministerial Appointee	18 June 2012
Ms Emma Zondo	Labour	1 April 2011
Ms Fazeela Fayers	Labour	1 April 2011
Mr Hitler Sekhitla	Labour	1 April 2011
Mr Pat Motubatse	Labour	1 April 2011
Mr Wandile Montjane	Labour	1 April 2011
Mr Rudie van Loggerenberg	Employer	1 April 2011
Ms Elsette Strachan	Employer	1 April 2011
Mr Derek Shardlow	Employer	1 April 2011
Ms Kidi Maluleke	Employer	18 June 2012
Mr Hennie Groenewald	Employer	23 April 2013
Ms Iveda Smith	Levy-exempt Sector	1 April 2011
Mr Aristides Seirlis	People with Disabilities	1 April 2011

**Table 2: Equity Status/profile of the HWSETA Board as at 31 March 2014**

White		African		Indian		Coloured		Disabled	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
3	1	4	4	0	1	0	1	1	0

**Table 3: Attendance of Meetings by Members of the Board**

	Board and Special Board meetings	AGM, Workshops, conferences and training
Ms Nozipho January-Bardill, Chairperson	6	3
Ms Thembi Ngcobo	10	7
Ms Emma Zondo	5	7
Ms Fazeela Fayers	8	5
Mr Hitler Sekhitla	7	3
Mr Pat Motubatse	9	5
Mr Wandile Montjane	10	6
Mr Rudie van Loggerenberg	7	4
Ms Elsette Strachan	9	5
Mr Derek Shardlow	8	4
Mr Aristides Seirlis	9	6
Ms Iveda Smith	9	7
Ms Kidi Maluleke	8	4
Dr Confidence Moloko	11	6
Mr Hennie Groenewald Appointed 23 April 2013	6	4

Note: 11 Board and Special Board Meetings Held  
7 AGM, Workshops, Conferences and Training

**Table 4: Executive Committee (EXCO) Members**

Board Member	Constituency Represented	Date Appointed
Ms Nozipho January-Bardill, Chairperson	Ministerial Appointee	1 April 2011
Ms Fazeela Fayers	Labour	1 April 2011
Mr Hitler Sekhitla	Labour	1 April 2011
Mr Rudie van Loggerenberg	Employer	1 April 2011
Mr Derek Shardlow	Employer	1 April 2011

**Table 5: Attendance of EXCO Meetings**

Number of Meetings Convened = 10		Number of EXCO including special meetings attending
Members		
Ms Nozipho January-Bardill, Chairperson		9
Ms Fazeela Fayers		9
Mr Hitler Sekhitla		7
Mr Rudie van Loggerenberg		10
Mr Derek Shardlow		9

### Standing Committees Membership and Attendance

**Table 6: Audit, Risk and Governance Committee**

Number of Meetings Convened = 5		Number of Aucom and related meetings attended
Members		
Mr Rayhaan Adam	Independent Chairman effective 1 September 2013	3
Mr Viren Magan	Chairman (tenure ended 31 July 2013) and Member	5
Mr Nick Nicholls	Independent member, tenure ended 31 July 2013	2
Mr Zola Fihlani,	Independent member, tenure ended 31 July 2013	0
Mr Sipehele Madikizela	Independent member effective 1 September 2013	3
Mr Pat Motubatse	Board member	2
Mr Derek Shardlow	Board member	1

### Audit Committee 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: R424.00 per hour per meeting attended

**Table 7: Finance Standing Committee**

Number of Meetings Convened = 7		Number of meetings attended
Members		
Ms Iveda Smith (Chairperson)	Levy Exempt Sector	5
Ms Elsette Strachan	Employer	5
Mr Derek Shardlow	Employer	3
Ms Fazeela Fayers	Labour	4
Dr Confidence Moloko	Ministerial Appointee	7

**Table 8: Tender Standing Committee**

Number of Meetings Convened = 3		Number of meetings attended
Members		
Mr Pat Motubatse (Chairperson)	Labour	2
Ms Thembi Ngcobo	Ministerial Appointee	1
Mr Hitler Sekhitla	Labour	3
Ms Iveda Smith	Levy Exempt sector	3
Ms Elsette Strachan	Employer	2



**Table 9: Skills Development Standing Committee**

Number of Meetings Convened = 5

Members		Number of meetings attended
Mr Rudie van Loggerenberg (Chairperson)	Employer	3
Ms Thembi Ngcobo	Ministerial Appointee	3
Ms Fazeela Fayers	Labour	4
Mr Hitler Sekhitla	Labour	4
Ms Elsette Strachan	Employer	3
Mr Aristides Seirlis	People with Disabilities	2

**Table 10: ETQA Standing Committee**

Number of Meetings Convened = 4

Members		Number of meetings attended
Mr Hitler Sekhitla (Chairperson)	Labour	3
Ms Emma Zondo	Labour	1
Mr Rudie van Loggerenberg	Employer	1
Ms Iveda Smith	Levy Exempt Sector	3
Dr Confidence Moloko	Ministerial Appointee	3

**Table 11: Corporate Services Standing Committee**

Number of Meetings Convened = 5

Members		Number of meetings attended
Mr Wandile Montjane (Chairperson)	Labour	5
Ms Elsette Strachan	Employer	4
Mr Derek Shardlow	Employer	3
Mr Aristides Seirlis	People with Disabilities	5
Dr Confidence Moloko	Ministerial Appointee	4

**Table 12: Appeals Committee**

Number of Meetings Convened = 5

Members		Number of meetings attended
Mr Derek Shardlow (Chairperson)	Employer	0
Ms Nozipho January-Bardill	Ministerial Appointee	0
Mr Wandile Montjane	Labour	0
Ms Elsette Strachan	Employer	0

*For the year under review, the Appeals Committee did not meet due to the fact that there were no appeal cases received.*



**Mmamy Khaile**  
Legal Advisor

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Legal compliance and systems are integral to an organisation such as the HWSETA and the legal office is responsible for the provision of guidance in respect of all legal matters.

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## Legal Advisor's Office

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### Legislative and Other Mandates

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The HWSETA is established under the provisions of the Skills Development Act, 1998 (Act 97 of 1998) and is classified as a Schedule 3A public entity under the provisions of the Public Finance Management Act, 1999 (Act 1 of 1999). Adherence to these Acts is central to the operations of the HWSETA.

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 that operates within specific constitutional, legislative, functional and policy mandates underpinned by a Board Charter.

The operations of the HWSETA are subject to a plethora of legislative, functional and policy mandates of which the Basic Conditions of Employment Act and the Promotion of Access to Information Act are just two.

Fraud prevention is a key priority for the HWSETA and this is evidenced by the HWSETA's Anti Fraud and Anti Corruption Policy, as well as the strict no-gift policy.

A combination of the National Skills Development Strategy (NSDS 111), the Annual Performance and Five Year Plan and the service level agreement signed with our immediate reporting line namely the DHET serve as a guide for the activities undertaken by the HWSETA and act as pillars for the organisation's operations.

### Compliance with Laws and Regulations

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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 December 2012, the DHET published SETA Grant Regulations regarding the monies received by a SETA and related matters. The intent of the regulations is amongst others, to:

1. Regulate the proportion of funds available for skills development that is spent on administration.
2. Provide for the SETAs to contribute to the cost of the work carried out by QCTO.
3. Discourage the accumulation of surplus and carry over of unspent funds at the end of the financial year.

In terms of the administration costs, SETAs are limited to the use of 10.5 % of the total levies paid by employers. As of 01 April 2013, the HWSETA as with other SETAs is required to transfer an amount not exceeding 0.5% of the total levy paid to the QCTO. The amount to be transferred will be determined by the Minister no later than 31 July of each year.

In order to gear ourselves for the implementation, certain changes had to be made in light of both mandatory grants and discretionary grants that are affected by the regulations in different respects.

Whilst the HWSETA has a special division assigned to Research, Information, Monitoring and Evaluation, there are other mechanisms in place to carry out regular monitoring, for example, the reporting and quarterly reporting to the Department of Higher Education and Training.

### Conflict of Interest

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Careful attention has been paid to Supply Chain and at all levels within the organisation and staff members are regularly requested to complete declaration forms. 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 behaviour and to address issues such as corruption, fraud and unethical conduct amongst its stakeholders. To assist in achieving

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this goal, the HWSETA utilises the services of Deloitte that serves as an independent fraud and corruption service provider. This service is available 24 hours a day, 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 the HWSETA's seriousness on fraud and corruption.
- Detect elements of fraud and corruption by encouraging whistle blowers to report incidents.
- Assist the HWSETA to identify areas of risk to facilitate the implementation of effective preventative and mitigation measures.

### Tip-Offs

In the year under review, ten complaints were received through the tip offs line. The incidents reported mainly pertained to unethical business practices, fraud and unaccredited training providers. Of the ten cases, eight were investigated internally and finalised, while two were referred to law enforcement agencies and are still under investigation with the SAPS.

### Promotion of Access to Information Act 2 of 2000

In the past financial year, no requests were received in terms of Promotion of Access to Information Act 2 of 2000 and the South African Human Rights Commission was informed accordingly as required by the Act.

### Litigation

Currently there are two 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. The matter was set down in December 2013 at the Labour Court. Judgement on this matter was delivered in May 2014 and the Minister as the first Respondent has been ordered to comply with the terms of the judgement.

In both matters, the HWSETA has defended the legal actions. (Refer to note 19 in the Annual Financial Report)

### Partnerships and Memoranda of Agreements

To meet NSDS III targets, the following partnerships were concluded with TVET colleges, Universities and relevant stakeholders.

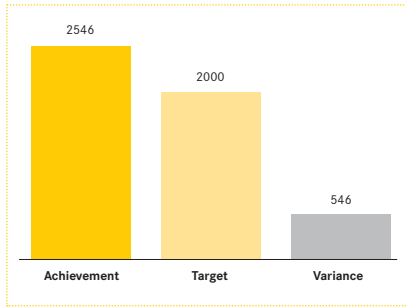
- MoU with the Durban University of Technology
- MoU with the University of Free State
- MoU with the Walter Sisulu University
- MoU with Northern Cape Urban TVET College
- MoU with Taletso TVET College
- Memorandum of Agreement with Nelson Mandela University
- Service Level Agreement with Health Faculty of the Durban University of Technology
- Memorandum of Agreement with King Hintsa TVET College
- Memorandum of Agreement with NSFAS
- Memorandum of Agreement with SACCI

Mmamy Khaile  
Legal Advisor

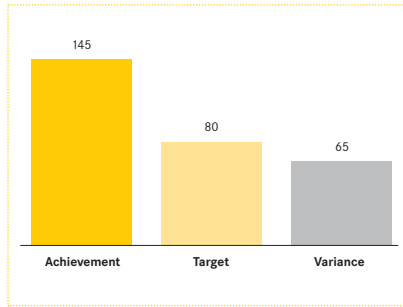
# 2013/14 Service Level Agreement Dashboard

Achievement Against Targets for Service Level Agreement  
Entered into with DHET

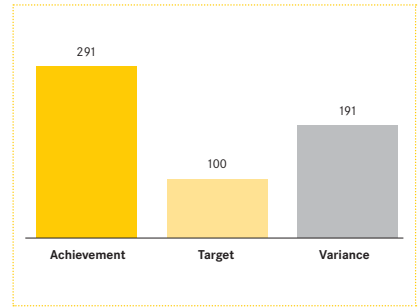
**Workers Entering Learnerships**



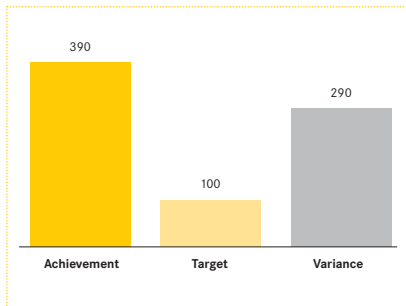
**Workers Certificated in Bursaries**



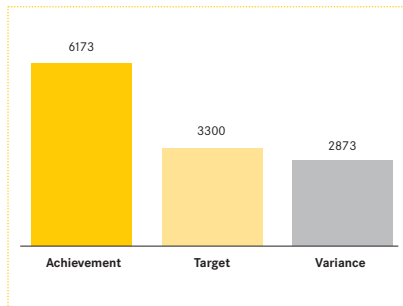
**Unemployed Entering Internships/  
Workplace Experience**



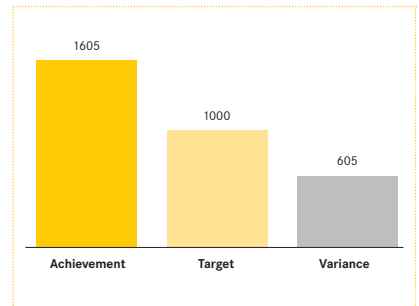
**Workers Entering Bursaries**



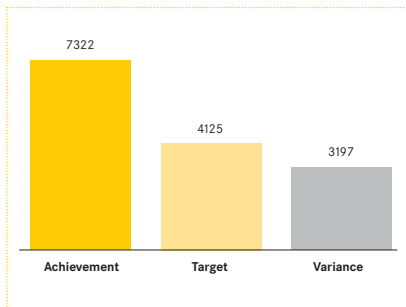
**Workers Certificated in Skills  
Programmes**



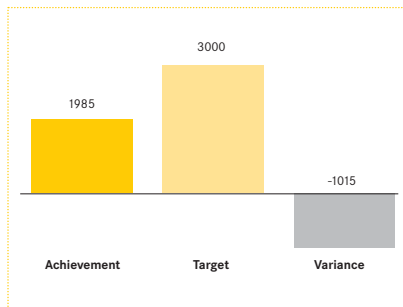
**Unemployed Entering Skills  
Programmes**



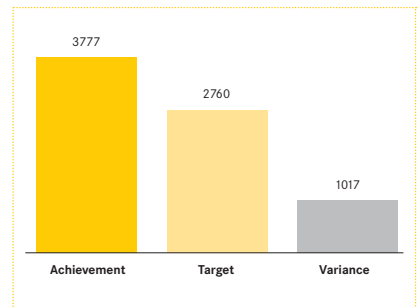
**Workers Entering Skills Programmes**



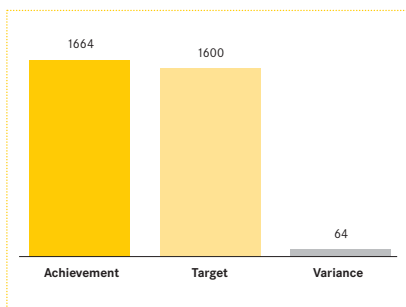
**Unemployed Entering Learnerships**



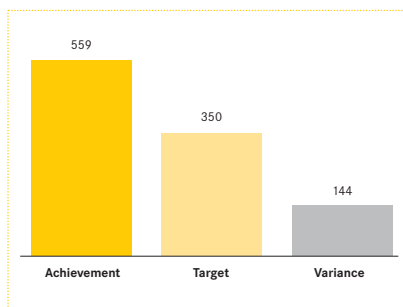
**Unemployed Certificated in  
Learnerships**



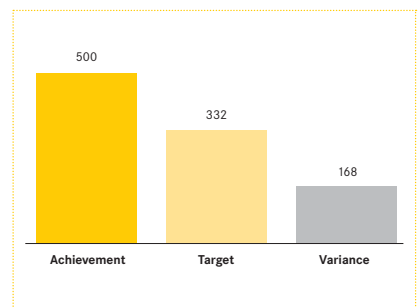
**Workers Certificated in Learnerships**



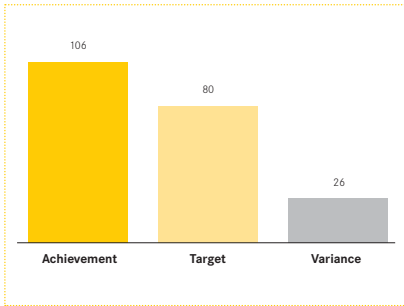
**Unemployed Entering Bursaries**



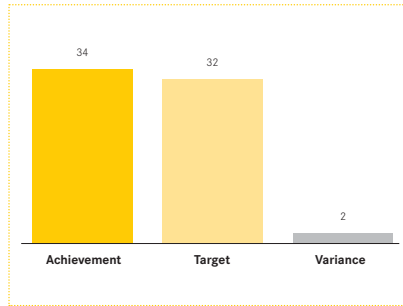
**Unemployed Certificated in Bursaries**



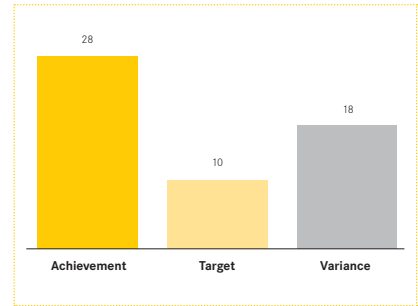
**Unemployed Completed Internships/  
Workplace Experience**



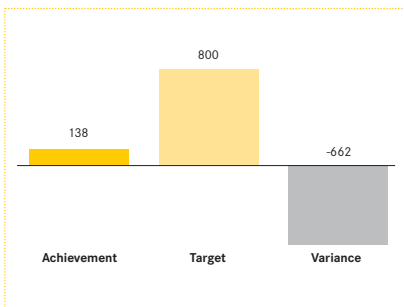
**Work Integrated Learning -  
Universities**



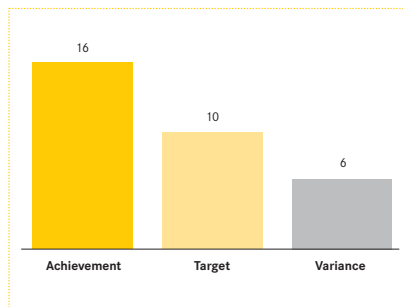
**Cooperatives Supported**



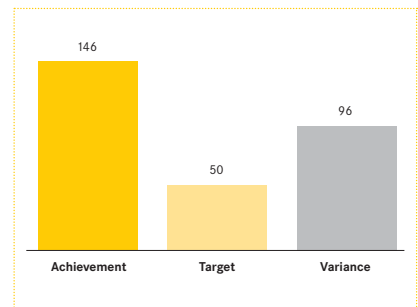
**Unemployed Certificated in Skills  
Programmes**



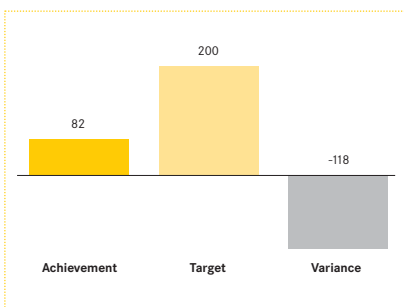
**TVET College Partnerships**



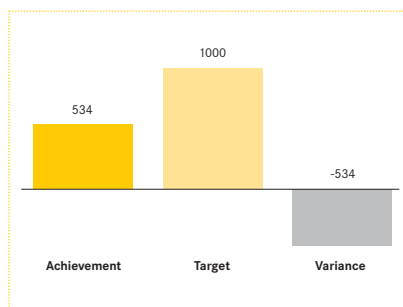
**Small Business Supported**



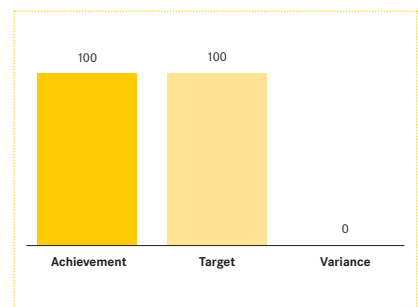
**Artisans Entered**



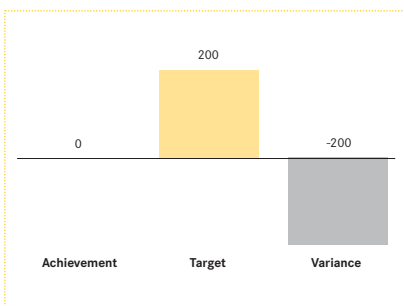
**Pre-Apprenticeship**



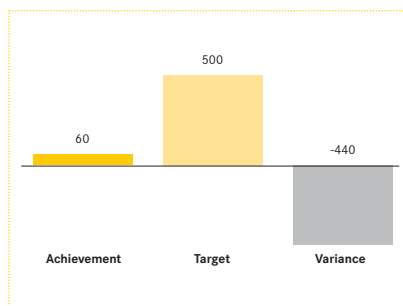
**NGOs/NLPE and CBOs**



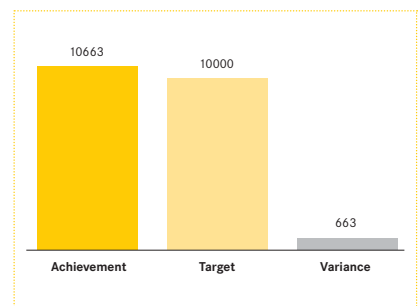
**Artisans Certificated**



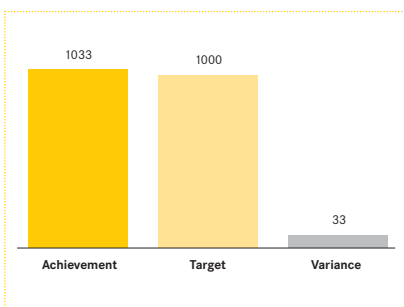
**AET Programmes Entered**



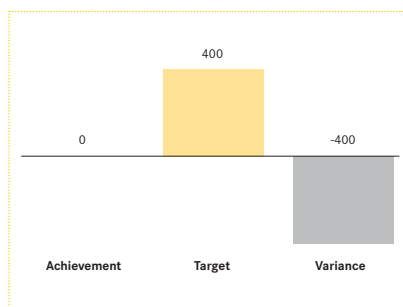
**Career Guidance Provided**



**TVET Graduate Placement**



**AET Programmes Certificated**



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**“Overall, the performance of the HWSETA was found to be making the desired positive impact in the lives of participants and participating employers.”**

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*RIME Report*



## Section 2

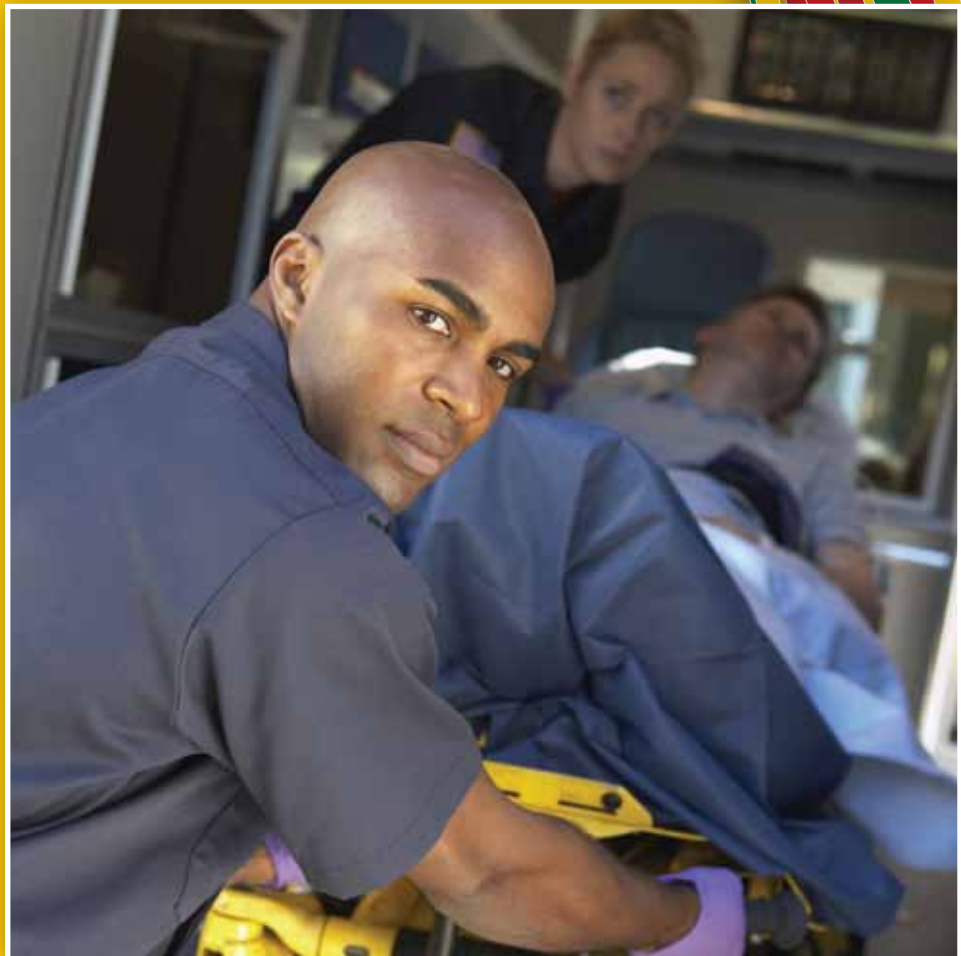
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# Performance Information

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Achievement Against Targets  
for the Period Ending 31 March 2014

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# Performance Information

## Achievement Against Targets for the Period Ending 31 March 2014

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
1	Promotional activities to communicate the branding and mandate of the HWSETA	Attend 80% of workshops and promote HWSETA activities in 9 provinces over the 5 year period	Hold Exhibitions in 9 provinces. Distribute 90% of Promotional material and Supply 4 provincial offices with promotional material on a need basis by the end of the fourth quarter in 2013/14	We have participated in a total of 34 career exhibitions and activities across the country as follows: KZN - 4 / EC - 9 / Gauteng - 7 / Mpumalanga - 4 / NW - 1 / WC - 3 / Limpopo - 2 / FS - 2 / NC - 2. The relevant promotional material has been handed out each of these events. The career guidance target for the 2013 - 2014 financial year was 10 000 learners reached - we reached 11 222 learners.	Attendance registers	1	■		CS File No1/divider: Promotional Activities
2	Branding	Promoting the HWSETA in the sector in all 9 provinces over the 5 year period	80% of Promotional material distributed at 90% of selected events for maximum exposure by the end of the third quarter of 2013/14	Workshops/Conferences attended: KZN - 2 / NW - 2 /Gauteng - 1. Stakeholder sessions held in FS, Mpumalanga, EC, NW. Commemorative Days activity: Mandela Day - Gauteng (67km relay and food parcels), Mandela Day - FS, Youth Day - Mpumalanga, Women's Day - Gauteng, AIDS Day - Limpopo, Disability Day - EC, 16 Days of Activism - Limpopo, Human Rights Day - NC. Bursary announcement at Umfolozi TVET College in KZN. TVET placement programme launch in Gauteng. Handover of wheelchair to disabled person in KZN. Launch of partnership between HWSETA and King Hintsa TVET College in EC.	Attendance registers	1	■		CS File no 2/divider: Branding
3	AGM	Arrange the Annual General Meeting annually between 2012-2016	2013 AGM and bi-annual Conference to be organized by the end of the second quarter and held in October 2013 after the tabling of the Annual Report in Parliament	AGM held on 24 October 2013 in PE. This took place after the Eastern Cape Stakeholder Consultation session in the morning.	Attendance register	1	■		CS File no 1 / divider: AGM
4	Annual Report	Co-ordinate, consolidate, edit, finalise and print 2000 copies of the Annual Report annually between 2012-2016	The Annual Report is co-ordinated and ready for printing in July 2013, with delivery to Parliament by 20 August (subject to another date being set by the DHET). Annual report is distributed by December 2013 to stakeholders in 9 provinces.	Report printed and successfully tabled in Parliament. Included in Board Packs for October meeting. After AGM the annual report was systematically sent to all relevant stakeholders. PDF of annual report was loaded on HWSETA website	Board pack for October 2013.	1	■		See Board Secretary FIN file no 1/divider 1
5	Performance Management of Staff at the HWSETA to develop and build capacity in the HWSETA	Evaluate HWSETA staff performance annually. Retain key staff and identify development of all staff annually in a developmental plan in the period 2012-2016	Evaluate all staff performance by the end of the second quarter, with final evaluation in April 2014. Staff have PDPs in place and attend training committee approved training in identified areas during 2013/14. Key staff identified, and rewarded to ensure retention by May 2014. One flagship training intervention identified for all staff to attend by the end of the third quarter	Approximately 70% of mid-year assessments were received. Job Profiles for outstanding/new positions were finalised. Mentoring & Coaching Programme commenced for 15 managers. WSP & ATR completed. 7 Bursaries and 10 Short Courses were awarded. Final assessments for the period 2012 - 2013 were completed and bonuses paid out in June 2013. Final assessments for 2013 - 2014 are due in May 2014. WSP was approved and submitted and training implemented.	Final assessment report WSP Register.	1	■		See HR Manager (documents are confidential)



Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
6	Staffing of the HWSETA	Approve ideal organogram to ensure optimum capacity for the operations of the HWSETA over the 5 year period. Key vacancies filled within 3 months of opening - budget permitting.	Filling of 80% of the positions in the ideal organogram completed by the end of the third quarter. All key and critical positions filled to ensure that the HWSETA is operating effectively in 2013/2014	3 staff appointed in Acting positions - part of development. 7 employees commenced with their employment during the reporting quarter. 82.14 % of the organogram has been filled	Appointment letters Organogram	1	■	Decentralisation gave rise to a need for more permanent staff and interns.	
7	Intern Project	Implement and maintain People With Disability Interns project within the HWSETA for the 5 year period	8 interns to commence with internship by the end of the first quarter. Development plans in place for all eight, and evaluation and job opportunities identified at end of internship or the end of June 2014	11 interns were placed on internships for the period 2013 - 2014. 2 of the interns were appointed within the HWSETA. In-house skills transfer is done on a daily basis. External training is incorporated for interns in the 2014 - 2015 WSP	Appointment letters. Organogram	1	■	Decentralisation gave rise to a need for more permanent staff and interns.	See HR Manager (documents are confidential)
8	Employee Wellness	Respond to and address staff needs in terms of EAWP within the HWSETA between 2012-2016	EAWP induction to take place/Communication/awareness of the programme to all staff on a quarterly basis. Provident Fund Committee established and effective with two meetings held in September 2013 and March 2014.	External service providers appointed to review the status of the current fund and make recommendations. Provider presented their recommendation to the Committee on 28 November 2013. Employees were inducted on 19 July 2013. Monthly EAP newsletters sent to employees. Provident Fund Committee was established. 2 Committee meetings were held.	Launch Notification Newsletters Minutes Agenda	1	■		See HR Manager (some documents are confidential) CS File no 2/divider: Employee wellness
9	Teambuilding	Plan and successfully execute HWSETA Staff Team-building exercise with defined objectives over 5 years	1 X corporate team-building session to take place in the second quarter of 2013-2014 with set objectives and evaluation of achievement of objectives for 2013-2014 year	The cost containment measures prescribed by the National Treasury instructed the HWSETA not to finance team building exercise. This rendered this indicator not applicable. Coaching sessions have been held for Managers. Coaching sessions for Executive Managers have been planned.	Document: Cost containment measures. Submission to Exco	1	■		CS File no 2/divider: Team Building See CFO (document is confidential)
10	Occupational Health and SaT-VETy	Implement effective OHS strategies in the workplace throughout the 5 years of the NSDSIII period	3x OHS Committee meetings to take place quarterly in 2013-2014. Reports distributed to all. 6x Inspections to take place in 2013-2014, with corrective action on deficiencies identified during the inspections.	3 OHS meetings took place 2 inspections took place	Minutes Reports Registers	1	■	Inspections were started late in the year	Refer to Q1 & Q2/divider D CS file no2/divider: OHS
11	Employment Equity	Implement effective EE strategies in the workplace throughout the 5 year period of the NSDSIII	Submission of EE plan to the DoL for 2013/2014 year 5 days before the due date, 12x internal EE report distributed by the 28th of each month, 2x meeting with EE committee held in September 2013 and March 2014 with a plan to address deficiencies identified	EE plan was approved and submitted. Internal reports sent monthly 1 Committee meeting was held	Plan Report Register	1	■		CS file 2/divider: EE

Key	
■	Achieved
■	Good Progress
■	Limited Progress

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
12	Information Technology	Implement effective IT strategies in the workplace throughout the 5 year period of the NDSDI	IT strategic plan in place and approved by the fourth quarter of 2013/2014. A detailed budget and plan for IT for next 5 years followed and adjusted within reason by the end of the third quarter of 2013/2014	Master ICT plan developed. Submitted plan to Exco. In process of aligning with DPISA and corporate governance of ICT.	IT Policy document	1	■	IT management challenges delayed implementation of activities to achieve the target	See Board Secretary (documents are confidential)
13	Board Support 1	Develop Board skills needs as identified in the annual Board evaluation plan over the 5 year period	Induction of new Board members and training needs analysis as per evaluation of the needs of each Board member 1 month after joining the Board. Training conducted according to the needs identified.	Workshop held in December 2013 on delegation of authority. Assessment tool for Board developed and forwarded to Durban University of Technology for implementation	Audit Committee pack	1	■		See Board Secretary (documents are confidential)
14	Board Support 2	Assessment of Board performance and report conducted annually over the 5 year period of the NSDS	Board and sub-committee evaluation performed annually, with an analysis of any developmental needs by the first quarter of 2013/14 year	Board effectiveness assessment implemented through the Durban University of Technology.	SLA with DUT Board assessment tool	1	■		Rime file no 3/ divider 1
15	Provincial Capacity and presence	Fully functional provincial presence established in at least 5 provinces including presence in TVET colleges over the five year period	Provincial office and presence Strategy to be developed for the 5 year period completed by the first quarter of 2013/2014	The HWSETA collaborated with Northern Cape Urban TVET College and one intern has been placed at the college to represent the SETA. Suitable premises have been identified in Midrand to accommodate the Gauteng/North West office a submission has been prepared and presented to Board. A more spacious office was also identified in Polokwane to accommodate the envisaged staff capacity following the approval of the HWSETA organogram and this was approved by Board. New Durban offices were occupied on 1 November 2013 after due procurement was followed. Board approved additional office space for head office.	Strategy for provinces Organogram for provinces	1	■		See HR Manager (some documents are confidential) FIN file no 1/ divider 3
16	Financial Reporting	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	Monthly management accounts prepared and reported to various committees including the Board. Significant enhancement made to the management accounts.	Monthly management accounts	1	■		See board secretary (documents are confidential)
17	External audit	Effectively deal with issues listed in the Auditor-General's Management letter and Audit Report	Draw up detailed plan to resolve issues and report progress on this plan quarterly.	The progress plan for AG findings of 2012/2013 was drawn up and reported to Audit Committee, Exco in Sept. 2013, and incl. In Board pack in October 2013	See various Board sub-committees. packs	1	■		See board secretary (documents are confidential)
18	Annual Financial Statements	Prepare annual financial statements 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.	The AFS for 2012/13 was prepared in May and approved by the Audit Committee, Exco and Board in May 2013. Submitted to AG on 29 May 2013.	Annual report 2012/13 See various Board sub-comm. packs, AG letter of acknowledgement of receipt.	1	■		FIN file no 1/divider 1 See CFO (documents are confidential)

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
19	Monthly Financial Reports	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, timeous quarterly reporting to the DHET.	Monthly management accounts prepared and reported to various committees including the Board. Significant enhancement made to the management accounts. Submitted Financial reporting to DHET in July and October 2013 in line with the prescribed deadlines.	See various sub-comm. packs and acknowledgement of fin. Reporting to DHET quarterly	1	■		See CFO (documents are confidential)
20	Operations budget as required by PFMA	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	The Budget was successfully submitted to Board for approval on 29 Aug 2013 after process followed, and submitted to DHET on 31 Aug 2013	See Board approval for budget and submission to DHET of strategy, APP and Budget on 31 Aug 2013	1	■		FIN file no 1/divider 2 See CFO (documents are confidential)
21	Risk and fraud prevention management	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	Annual risk assessment conducted on 5 March 2013, quarterly risk reporting in place to all relevant committees as well as Board. 3 Risk Management Meetings held to date.	See various Board sub-comm packs, and risk register and minutes of Risk Management Comm.	1	■		See CFO (documents are confidential)
22	Internal Audit (IA) function	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	IA plan approved by the Audit Comm. on 26 Sept 2013. IA started planning on audits. Co-operation provided. Quarterly reporting to Audit Committee on 26 Sept.	See Audit Committee pack of 26 Sept. '13	1	■		See Board secretary (documents are confidential)
23	Mandatory and Discretionary grants	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.	All systems and controls for payments of both mandatory and discretionary grants were in place within the timelines specified.	See discretionary and mandatory grant files of payments made	1	■		See Grant officer (documents are confidential)

Key	
■	Achieved
■	Good Progress
■	Limited Progress

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
24	Procurement	Implement an effective procurement system as per the approved Procurement Policy and Treasury Regulations	<p>Gaps in procurement identified and controls/measures to be put in place:</p> <ul style="list-style-type: none"> <li>All procurement positions to be filled</li> <li>Implemented controls</li> <li>Planning session conducted annually with Procurement Division</li> </ul> <p>System in place to ensure efficient, effective and cost effective procurement of all services needed by the HWSETA, backed up by evidence. Support to BEE and SMME organisations increased from prior year actual</p> <p>New Treasury Instruction notes being dealt with by procurement and implemented.</p>	Tender for Training of 300 Labour Representatives on Skills development Facilitator Course HWSETA001/2014 has been finalised and awarded to HRD Training Consulting. The Tender for ERP system was finalised but not awarded due to the significant price being charged by this bidder which does not make business sense (R13 million). Board recommended that the ERP tender be re-advertised. The tender number is HWSETA003/2014 and the closing date will be 17 April 2014. Schedule of procurement plan in respect of advertised competitive bids in excess of 500 000 for the 2014/2015 financial year will be submitted to National Treasury for 31 April 2014. All procurement positions filled since July 2013, Tenders in place, policy adhered to. Procurement has been decentralised.	Adverts, reports, adverts service level agreement and tender documents	1	■		Procurement File no 1
25	Health and welfare sector skills plans are professionally researched	Research strategy in place to support a credible institutional mechanism for skills analysis and planning covering the 5 year period	Conduct mid-term impact study on the achievement of job driver 4.3 (new growth path) linked to projects implemented under programme 4 by the end of the fourth quarter	Mid-term impact assessment on projects funded for the period 2010-2013 completed.	Report on HWSETA supported programmes and projects	2	■		RIME file no 2/ divider 2
26		Research resources are in place to conduct research over the 5 year period	Staff and management ready and capacitated to conduct research for 2013/2014 projects by the end of the third quarter	Staff and management ready and capacitated to conduct research. Two Research officers have been appointed and embarked on Labour Demand Modeling training. This target has been achieved.	Submission to CEO. Attendance register	2	■		Refer to Q3/divider M
27		Research conducted to an acceptable standard which is defined for the 5 year period	In 2013/2014 standards used to conduct and measure effectiveness of research reviewed by the end of the second quarter	Standards used to conduct and measure effectiveness of research reviewed and these standards are incorporated into the HWSETA Research Strategy	Reviewed research standards within Research Strategy	2	■		Refer to Q1 and Q2/divider J

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
28	Research provides a sound analysis of the health and welfare sector	Sound analysis of the health and welfare sector found in research documents confirmed by stakeholders annually over the 5 year period	2013 SSP confirmed acceptable by DHET and stakeholders and SSP information distributed to stakeholders by end of January 2014	2013 SSP Annual Update has been completed and confirmed by DHET. It has been also up loaded into the HWSETA website. This target has been achieved.	Letter of acknowledgement from DHET	2	■		Refer to Q3/divider N
29		Align all training to the new growth path and other Government priorities over the NSDSIII period	2013 SSP supports new growth path and new jobs in the sector as reviewed in 2013/14. Achievement planned for end of the second quarter	The 2013 SSP supports new growth path and new jobs in the sector. The HWSETA's skills development strategies highlighted in the 2013 SSP addresses the key objectives of NGP. Four "job-drivers" from NGP relevant to the HWSETA are being addressed and these are: Targeting labour-absorbing activities in the services field; Utilising opportunities in the knowledge and green economies; Leveraging social capital in the social economy and public services by supporting CBOs and cooperatives; Fostering rural development	Sector Skills Plan	2	■		Refer to Q3/divider N
30		80% of research reports made available to the health and welfare sector within 8 months of completion of research	Research abstracts available and distributed to the sector within 8 months of completion of each research project	Research abstracts have been compiled and completed. Ready to be uploaded to the HWSETA website.	Research abstracts	2	■		RIME File no.2/ divider 1
31	Mid-level skills needs are identified and addressed in the health and welfare sector	Support strategies in place for MLW covering the NSDSIII period	Conduct mid-term impact assessment in meeting Job driver 4.3 (New Growth Path) by the end of the fourth quarter	Project scope determined and performance indicators reviewed and agreed upon. Report on learnerships addressing mid-level skills completed covering the period 2010 to 2013	Report on HWSETA supported programmes and projects	2	■		RIME File no.2/ divider 2
32	HWSETA to conduct analysis and publish proposals on improving the institutional framework for public sector (health and social development) education and training	HWSETA analysis conducted to identify the needs and gaps with special focus on the introduction of the NHI covering the 5 year period of the NSDS	Implement strategy and mid-term assessment conducted in terms of New Growth Path job driver 4.3 by the end of the third quarter	DoH has conducted research on this subject. To avoid duplication the target has not been implemented. Recommendation to remove this target has been made.	National Health Insurance Report Published research paper by Matsotso and Fryatt Presentation by Friedman	2	■		RIME File no 2/ divider 9
33		Plans published and advocacy done covering the 5 year period of the NSDS	Plans published and advocacy done by the end of the third quarter	Stakeholder innovation session for the public sector took place in November 2013	Attendance registers & Report on innovation session	2	■		Refer to Q3/divider 0
34	Health and welfare sector skills plans identify the supply challenges in relation to high level scarce skills gaps	Supply challenges in relation to high level skills gaps identified covering the 5 year period of the NSDS	Conduct mid-term assessment in terms of job driver 4.3 (New Growth Path) by the end of the third quarter	Project scope determined and performance indicators reviewed and agreed upon. Research Report completed	Report on HWSETA supported programmes and projects	2	■		RIME File no.2/ divider 2
35	Health and welfare sector skills plan set out strategies for addressing high level scarce skills gaps	Sector Skills Plan sets out strategies for addressing high level scarce skills gaps covering the 5 year period of the NSDS	Conduct midterm assessment in terms of job driver 4.3 (New Growth Path) by the end of the fourth quarter	Project scope determined and performance indicators reviewed and agreed upon. Research report completed	Report on HWSETA supported programmes and projects	2	■		RIME File. No.2/ divider 2 & 3

Key	
■	Achieved
■	Good Progress
■	Limited Progress

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
36	HWSETA engages with trade unions, NGOs and community based organisations in the health and welfare sector and identifies skills needs	HWSETA engages with trade unions, NGOs and community based organisations in the health and welfare sector covering the 5 year period of the NSDS	HWSETA engages with trade unions, NGOs and CBOs in the health and welfare sector and identifies skills needs by the end of the first quarter	Data collection instruments developed and finalised. Service provider to collect quantitative data has been appointed and introductory meeting held	NPO Research Proposal Data Collecting instruments SLA	2	■	Review of desk-top documents started late in the financial year.	RIME File no.2/ divider 8
37	Health and welfare sector skills plans set out the capacity needs of relevant departments and entities	Develop strategies to address the identified skills needs covering the 5 year period of the NSDS	Develop strategies to address the identified skills needs by the end of the second quarter	Strategies to address the identified skills needs of the NPO sector have been developed.	Annual Performance and Annual Plan 2013 – 2017 Target Protocol	4	■		Rime file no 2/ divider 10
38	Health and welfare sector skills plans set out the capacity needs of relevant departments and entities	Health and welfare skills plans also reflect capacity and skills development needs of public sector covering the 5 year period of the NSDS	Conduct workshop with health and social development management in 3 provinces to determine their skills needs by the end of the third quarter and fourth quarter for health and SD respectively	Stakeholder innovation session for the public sector took place in November 2013	Attendance register & Report		■		Refer to Q3/ divider 0
39	Career guides developed with labour market information from SETAs addressing all health and welfare sub sectors	Career guides developed with labour market information from the health sector covering the 5 year period of the NSDS	Career guides developed with labour market information from the health sector (Nursing and medical occupations) and linked to output 4.2.1.1-Formulation of the Qualifications Framework by the end of the third quarter	For Nursing the career guides have been developed Currently compiling critical entry requirements information on medical professions	Database on critical entry requirements information for nursing	2	■	Review of desk-top documents started late in the financial year.	Refer to Q1 & Q2/ divider V
40		Career guides developed with labour market information from the welfare sector covering the 5 year period of the NSDS	Career guides developed with labour market information from the welfare sector and linked to output 4.2.1.1-Formulation of the Qualifications Framework by the end of the fourth quarter	Career guides developed with labour market information linked to output 4.2.1. For- mulation of the qualifications framework is addressed by the ETQA division	Career guidance booklet and Letter from QCTO	2	■		RIME File. No.2/ divider 7
41	Health and welfare stakeholders are engaged and programmes are adjusted to meet the skills and qualification needs to promote comprehensive career development	Health and welfare sector stakeholders engaged and programmes adjusted covering the 5 year period of the NSDS	Engage HWSETA stakeholders and assess programmes that need adjustments by the end of the third quarter	The HWSETA has engaged with the Pharmacy Council as a Development Quality Partner in the development of a new mid-level qualification (Pharmacy Technician). MoU signed between the two entities. The HWSETA also engaged with the DoH on the qualification adjustment of the Health Promotion officer (Community Health Worker, NQF level 3) as a Development Quality Partner and Assessment Quality Partner.	MoUs and Board submissions	2	■		See Legal Advisor and Exec Man ETQA
42		Comprehensive career development (which includes aptitude assessment) promoted to 45000 school learners covering the 5 year period of the NSDS	Promote to 1000 learners per province and midterm impact assessed in terms of the Job driver 4.3 (New Growth Path) by the end of the third quarter	Comprehensive career development promoted to 7266 learners nationally	Attendance registers	2	■		Refer CS file 1/ divider Promotional activities
43		Training exposure in a work environment for at least 16 000 lectures at TVET Colleges	New target: 40 lectures	36 lecturers were offered training on the NCV qualification in Community Health Work.	Attendance registers	5	■	Was dependant on the total number of lecturers to offer the course	ETQA file no 1/ divider 5

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
44	Health and welfare sector skills plans identify the focus areas for research, innovation and development	Health and welfare sector skills plans updated to identify the focus areas for research, innovation and development covering the 5 year period of the NSDS	Conduct mid-term impact assessment in terms of Job driver 4.3 (new growth path) by the end of the fourth quarter	Project scope determined and performance indicators reviewed and agreed upon	Project scope and performance indicators	2	■	Review of desk-top documents started late in the financial year.	RIME File no.2/ divider 4
45	Agreements are entered into between HWSETA, university faculties and other stakeholders on flagship research projects linked to	4 agreements in place	1 Agreement in place between HWSETA and the university partner by the end of the third quarter	Partnership Agreement with the Durban University of Technology concluded UKZN engaged to partner with HWSETA on research projects. Draft MoU between HWSETA and UKZN developed and submitted to UKZN for inputs. Final MoU between HWSETA and UKZN developed and ready for signatures. A consortium comprised of Program for Appropriate Technologies in Health (PATH), Health Development Africa (HAD) and the International HIV/AIDS Alliance (IHAA) approached the HWSETA for a collaborative research partnership on the Thogomelo Project. Plans to develop a draft MoU have commenced.	MoA/U and correspondence	2	■	Overachievement is due to the fact that the project was started in the previous financial year.	Refer to Q3 / divider Q
46		4 flagship research projects linked covering the 5 year period of the NSDS	Mid-term impact assessment on the 1 flagship project implemented in terms of Job driver 4.3 (new growth path) by the end of the third quarter	SSP Research project: Development of the SSP in partnership with EE research focus (stakeholder from the research institutes). For this flagship research project, the mid-term evaluation has been completed. The mid-term evaluation report is done in the form of a peer-evaluation report. Therefore, target has been achieved.	Mid-Term Impact Assessment Report on SSP	2	■		RIME File no.2/ divider 5
47	Programmes in place that focus on health and welfare sector skills needed to produce research that will be relevant to the health and welfare sector and have an impact on the achievement of economic and skills development goals of the health and welfare sector	18 programmes in place (spread over the provinces) covering the 5 year period of the NSDS	Mid-term assessment on 5 research projects supported in terms of job driver 4.3 (new growth path) by the end of the third quarter	Research projects by Masters and Phd students approved. Tri-party agreement signed. Evaluations of annexure B (budget of applicants) completed. Payments to Research Bursary Programme participants made in the last quarter of 2013/14 financial year. Project scope determined and performance indicators reviewed and agreed upon.	Research Approval Schedule. Project scope and performance indicators	2	■	Review of desk-top documents started late in the financial year.	See Research Manager RIME File no.2/ divider 6
	The NCV provides a sound foundational basis for building labour market relevant skills	Linked to previous labour market research and reported annually covering the 5 year period of the NSDS	Linked to previous labour market research and reported by the end of the third quarter	NCV Qualifications are still under development. The OCTO process not complete.	N/A	2			
48	The programmes offered to meet industry needs	The evaluated programmes (report) meet industry needs covering the 5 year period of the NSDS	Conduct mid-term impact assessment in terms of Job driver 4.3 (new growth path) by the end of the third quarter	Project scope determined and proposal complete. Data collection tools completed. Report on HWSETA Supported programmes and projects for the period 2010-2013 completed.	Report on HWSETA Supported programmes and projects for the period 2010-2013	2	■		RIME file no 2/ divider 2
49	Supporting apprenticeship and N-courses are reviewed, updated and made available to and accessed by employers	Support to pre-apprenticeship and N-courses is formally reviewed and updated covering the 5 year period of the NSDS	Conduct mid-term impact assessment in terms of Job driver 4.3 (New growth path) by the end of the fourth quarter	Project scope determined and proposal complete. Data Collection tools complete. Research report on HWSETA supported programmes and projects for the period 2010-2013 which included apprenticeship and N-courses	Report on HWSETA supported programmes and projects for the period 2010-2013	2	■		RIME file no 2/ divider 2

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
50	Support work experience for college learners	Work experience grants for 1000 college learners available covering the 5 year period of the NSDS	Public TVET college learners supported and impact assessment conducted by the end of the third quarter	Project scope developed and baseline data collected	Project scope and baseline data	2	■	Review of desk-top documents started late in the financial year.	RIME file no 1/ divider 2
51	Research report on the impact of training	Research report on the impact of training available covering the 5 year period of the NSDS	Research report on the impact of training available by the end of the fourth quarter	5 research reports completed on the impact of training	Impact reports	2	■	Overachievement is due to the fact that the project was started in the previous financial year.	RIME File no.2/ divider 6
52	Career guides developed with labour market information from SETAs addressing all health and welfare sub sectors	Career guides developed with labour market information from the health sector covering the 5 year period of the NSDS	Conduct mid-term impact assessment of career guidance given by the end of the third quarter	Project scope determined and performance Indicators reviewed and agreed.	Project scope and reviewed performance indicators	2	■	Review of desk-top documents started late in the financial year.	RIME File no.2/ divider 3
53	Health and welfare sector projects are established by health and welfare sector stakeholders	50 health and welfare sector projects established covering the 5 year period of the NSDS	Conduct mid-term impact assessment of projects initiated and implemented by health and welfare stakeholders on projects implemented under programme 4 by the end of the fourth quarter	Project scope completed and report available	Report 4: Strategic grants	2	■		RIME file no 1/ divider 3
	Projects supported by NSF	50 projects supported by NSF covering the 5 year period of the NSDS	Conduct mid-term impact assessment of projects supported by the NSF by the end of the fourth quarter	No projects were supported by NSF in the reporting period	Target not applicable for the year	2			
54	SETAs, through their skills planning research, identify the skills needs of small and emerging businesses in the health and welfare sector	HWSETA identifies the skills needs of 45 small and emerging businesses in the Health and Welfare sector covering the 5 year period of the NSDS	Conduct mid-term impact assessment of support given to small and emerging businesses by the end fourth quarter	Project scope determined and performance indicators reviewed and agreed upon. Report completed	Report on Skills developments needs of SMMEs	2	■		RIME file no 1/ divider 8
55	Health and Welfare sector projects are developed and are piloted by HWSETA	45 Health and Welfare sector projects are developed supporting 1000 learners covering the 5 year period of the NSDS	Conduct mid-term impact assessment of health and welfare projects implemented by the end of the third quarter	Project scope determined and performance Indicators reviewed and agreed on. Report on HWSETA supported programmes and projects for the period 2010-2013 completed.	Report on HWSETA supported programmes and projects for the period 2010-2013	2	■		Refer to Q3/ divider R
56	HWSETA establishes quality pilot projects	HWSETA establishes 45 quality projects; Training of 1000 SDF's covering the 5 year period of the NSDS	Conduct mid-term impact assessment of projects for workers, NGOs and CBOs by the end of the third quarter	Project on mid-term impact assessment of workers completed training of workers completed. Training of SDF is still being implemented and will be assessed once completed	Project on mid-term impact assessment report	2	■		RIME file no 1/ divider 4
	Stakeholders expand successful projects with support from the NSF	Stakeholders expand 45 Successful projects with support from the NSF covering the 5 year period of the NSDS	Expand 1 project per province and mid-term assessment conducted in terms of Job driver 4.3 (New growth path) - by the end of the second quarter	No projects were supported by NSF in the reporting period	Target not applicable for the year	2			



Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
57	Improve the funding of training and the use of training funds	Employers to show commitment by participating in Skills Development initiatives and spending more than 1% of payroll on training covering the 5 year period of the NSDS	Recognise top 20 employers who spend more than 1% of payroll on training by the end of the fourth quarter	Organisations who exceeded 1% of payroll spent on training have been identified and acknowledgement letters drafted	Report from SMS	4	■		SDP file 1/ divider 1
58	HWSETA employers submit accurate data on their workplace skills plans and annual training reports for effective sectoral skills planning	Workplace skills plans are a true reflection of employer data and reflect effective skills planning at workplace level	WSP/ATR data validation of all workplaces and report on findings and trends drawn by the end of the fourth quarter	Project scope determined and data collection is underway. This is a sample based research project due to resource constraints	Schedule of visitations Proposal Data collection tools	2	■	This is a sample based research project due to resource constraints	RIME file no 1/ divider 9
59	Impact monitoring of the delivery of projects and programmes	Collection of baseline data and quarterly reports communicated	Quarterly and annual performance data collected and reported on by the third week after the end of each quarter	Quarterly Performance Information collected, packaged and submitted to DHET	Letters of acknowledgement of receipt Copies of reports submitted	2	■		Rime file no 1/ divider 5
60	Ensure that the HWSETA performance information is quality assured and free of errors	Audit and validation reports confirm accurate and quality performance information	Comply with National Treasury handbook on performance Information. Draw and check accuracy and report performance information quarterly and annually by the third week after the end of each quarter	Quarterly monitoring information validated by the DHET quarterly. Monthly collection of strategic performance information. Evidence of Quarterly performance information collated into a file for audit purposes.	Validation reports, Performance Information evidence file	2	■		Rime file no 1/ divider 6
61	Develop and implement a Quality Management System geared towards a developmental and learning organisation	All staff are aware and comply with the HWSETA Quality Management System	Conduct quality audits, report and correct non compliance by the end of the fourth quarter	No movement on this target in the reporting period	N/A	2	■	Reorganisation of functioning in the HWSETA resulting in decentralisation of certain functions necessitated the suspension of QMS audits to allow decentralisation to take effect.	
62	The HWSETA provides mandatory grants to employers to facilitate development of skills in their organisations	Mandatory grants to employers	Payment of mandatory grants to approved employers in accordance with the SDA and Regulations. Support to large, medium and small business	Over R18m paid in mandatory grants to employers in the sector in accordance with the Skills Development Levies Act and applicable regulations	Approved schedule of payments	3	■		Refer to Q1&Q2/ divider TT

Key	
■	Achieved
■	Good Progress
■	Limited Progress

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
63	Middle level skills needs are identified and addressed in Health and Social Development sectors	At least 200 Employers participate in work-based training in the next 5 years covering 80% of training in the Health and Welfare sectors	At least 50 Employers participate in work-based training of which 80% absorb learners trained through them in 2013/14 year. These employers will be spread nationally.	61 employers are currently participating in Learnerships and Workplace Experience	Learnership approval. List of MOA's schedule Memorandum of agreement	4	■	Surplus funds were allocated by the Board over and above the budgeted amount.	Refer to Q3/divider X See project manager
64		6000 unemployed learners supported in employment-linked programmes in the next 5 years. (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	Support 3000 learners in employment linked programmes in 2013/14 year of which 80% must be absorbed into employment 3 months after training. (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	102 MOAs from employers with a total funding of 1985 learners have been received and approved	Approved List of MOA's	4	■	The original target was expanded from 1200 to 3000 after commencement of the financial year. We exceeded the original target based on the same reason as is found in row 63.	Refer to Q3/divider V SDP file no 1/divider 3
65		1125 unemployed learners have access to employer demand/led skills programmes in the next 5 years (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 60% youth (35yrs or less), 20% from rural areas)	Support 1000 unemployed learners into employer demand/led skills programmes in 2013/14 year. (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	Expression of Interest Skills Programmes 2013/14 approval schedule has been compiled and approved. Conditional approval letters have been sent to qualifying employers. 1605 learners have enrolled on the Skills Programmes. 1467 are funded learners and 138 are non-funded learners.	Approval schedule for Skills programmes 2013/14  Sample of Learner registration forms and agreements	4	■	A large number of participants were reported on skills programmes implemented by HWSETA stakeholders which was over and above what is offered through the Expression of Interest. 1467 are funded learners and 138 are non-funded learners. We have however administered the process of registration and recognition for the non-funded learners.	Refer to Q3/divider X SDP file no 1/divider 4
66	NSDS III: Artisans qualify with relevant skills and find employment. Skills Accord: commit that 30 000 new artisans will enter training.	300 artisans for the Health and Social Development sectors trained in the next 5 years 60% of whom are employed in the sector (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	Support 200 apprentices in 2013/14 year in HW sector relevant trades (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	HWSETA has entered into a partnership with the Swiss South African Cooperation Initiative (SSACI) for the training and development of Artisans. 82 Learners had entered the programme by March 2014. These learners will be trained on the accelerated artisan programme which runs over a 2-year period. The HWSETA board has approved additional funds for 200 learners to be trained in the programme. The HWSETA will continue its partnership with SSACI.	MOU with SSACI and Learner registration forms/contract forms	4	■	This is not our core business but we have made progress in trying to support the development of artisans. Another 118 are already in the pipeline.	SDP file no 1/divider 5
		80% of funded learners qualify and become work ready on completion of trade test	No target for the 2013/14 year.				■		

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
67	High level national scarce skills addressed by work ready graduates from higher education institutions	Appropriate support interventions developed and agreed and in place covering a 5 year period	For 2013/14 year appropriate Intervention: Work Experience Grant support mechanism approved and implemented to support priority programmes	The placement of 300 unemployed graduates has been approved for the Department of Social Development - Limpopo	MoAs.	4	■	We received a request for unemployed Social Work graduates to be placed in internships and we supported the large number due to this being a scarce skill	Refer to Q3/divider Y
68		Support extended to 500 students in work experience and experiential learning programmes over a 5 year period (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	Partnership Memoranda of Agreement to place 100 students with employers signed in 2013/14 year (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability 70% youth (35yrs or less), 20% from rural areas)	291 Social work graduates have been placed in the workplace to gain work experience for a period of 12 months	MOA and Learner agreements List of Learners	4	■	See row 67.	SDP file no 1/divider 6
69		Support 160 post-graduates over a 5 year period in accessing work opportunities by linking them to the employers in the sector Transformation and equity imperatives: 85% Black, 60% women, 70% youth), 20% from rural areas)	Support 32 post graduate students with work experience grant in 2013/14 and link them with employers. 80% of these will be absorbed into permanent employment within 3 months after completion. (Transformation and equity imperatives: 85% Black, 60% women, 70% youth), 20% from rural areas)	34 Postgraduate students were placed in work integrated learning with employers	Learner agreements, List of Learners	4	■	The HWSETA slightly over-achieved the target in accordance with our planning.	SDP file no 1/divider 7
70		600 unemployed learners supported through bursaries. Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	350 unemployed learners supported through bursaries at Universities and Universities of Technology. (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	The HWSETA has entered into MOUs with NSFAS and NMMU to fund 550 unemployed learners studying towards Health and Social Development Scarce and Critical skills.	MOUs with NSFAS and learner lists and registration forms	4	■	THE HWSETA responded to the need for learners to complete their studies and the amounts required for this purpose were less than the budgeted amount of R60 000 per learner resulting in a higher number of learners being supported.	SDP file no 1/divider 8
71	Health and Social Development sector relevant research and development and innovation capacity is developed and innovative research projects established	250 researchers supported in 5 years in areas relevant to the health and social development sector (Transformation and equity imperatives:85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 60% from historically disadvantaged tertiary institutions)	65 researchers supported in 2013/14 year in areas demanded by employers (Transformation and equity imperatives: 55 Black, 39 women, 3 people with a disability, 39 from historically disadvantaged tertiary institutions)	The HWSETA has approved funding for 47 researchers towards completion of Master and Doctoral studies. 21 learners have signed Memorandum of Agreements	MOAs and Learner list	4	■	Dependant on number of applicants and meeting criteria for bursary	SDP file 1/divider 26

Key	
■	Achieved
■	Good Progress
■	Limited Progress

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
72	The National Certificate (Vocational) and N-courses are recognised by Health and Social Development Sector 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.	Support to 4000 learners in pre-apprenticeships and N-courses over 5 years in areas critical to the sector	1000 learners supported in pre-apprenticeship training N-courses in 2013/14 in public TVET colleges (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% rural areas)	The HWSETA has entered into MOA's with 8 Public TVET colleges. 511 learners have been entered into the programme thus far.	MOAs and learner registration forms, List of Learners	4	■	We invited all 50 public TVET Colleges to participate yet many of them failed to apply for this opportunity resulting in less than the targeted number being approved.	SDP file no 1/ divider 9
		Available to and accessed by employers	No target set for 2013/14 year. (note: this can be implemented only if the pivotal grant regulations are approved.)						
73	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.	Support to 6000 employed workers in substantial quality programmes over 5 years (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 60% youth (35yrs or less)	2000 employed workers participate in quality skills development programmes in 2013/14 (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 60% youth (35yrs or less)	2546 employed learners have entered into the Health and Social Development learnerships	Learnership agreements	4	■	Surplus funds were allocated by the Board over and above the budgeted amount.	SDP file no 1/ divider 10
74		1125 employed learners have access to skills programmes in areas identified by employers over 5 years (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 60% youth (35yrs or less)	Recruit 4000 employed learners into skills programmes identified by employers in 2013/14 (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 60% youth (35yrs or less)	7322 employed learners have entered into the Health and Social Development Skills programmes. 1198 are funded learners and 6124 are non-funded learners.	Learner registration, learner list	4	■	A large number of participants were reported on skills programmes implemented by HWSETA stakeholders which was over and above what is offered through the Expression of Interest. 1198 are funded learners and 6124 are non-funded learners. We have however administered the process of registration and recognition for the non-funded learners.	SDP file no 1/ divider 11
75		100 employed learners supported through bursaries. (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	100 employed learners supported through bursaries at Universities and Universities of Technology. (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 20% from rural areas)	The HWSETA has funded bursaries to employees of the HWSETA registered employers. 390 learners have received bursaries for the 2013/14 financial year through the levy exempt grant, SME grant and bursaries)	Learner registration forms and learner list	4	■	A multi-pronged approach was developed to support training which yielded better than what the targeted results were.	SDP file 1/ divider 12

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
76	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.	5 Health and Social Development sector projects in place extending to 9 provinces over 5 years (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 80% from rural areas)	1 project/projects identified and implemented in 2013/14 extending over 9 Provinces in place (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 80% from rural areas)	The HWSETA has entered into an MOU with the National Department of Social Development for the training of employed community Development workers on the Food and Nutrition course across all nine provinces.	Conditional approval letter MOU	4	■		SDP file no 1/ divider 13 See Project Manager
77		5 Cross-sectoral Health and Social Development projects are established over the 5 year period	1 cross sectoral project established reaching 9 provinces identified and implemented in 2013/14	The HWSETA has entered an MOU with the National Department of Social Development for the training of employed Social Workers on the Facilitator course across all nine provinces.	MOU	4	■		SDP file no 1/ divider 14
		Projects and partnerships with employers and TVET colleges are established to enable artisans to be developed by upskilling those in the workplace over the 5 year period.	250 artisans for the Health and Social Development sector trained in 2013/14 (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less))	HWSETA entered into a partnership agreement with SSACI for the training of artisans There are however no employed persons placed on the Artisans Development Programme. HWSETA has focused on funding unemployed learners in apprenticeships.	MoA evaluation form for pre-apprenticeship	4	■	HWSETA has focused on funding unemployed learners on apprenticeships as sourcing of 181 apprentices proved difficult in the Health and Welfare sectors due to the artisanal trades not being within the core business of the sector.	See Projects Manager SDP file no 1/ divider 9
		80% of learners trained qualify and become work ready after trade test	No target for 2013/14			4	■		SDP file no 1/ divider 16 See Project
78	Cooperatives supported with skills training and development expands and contributes to Health and Social Development sector economic employment growth (4.6.1.1.)	Establish and support 5 projects supporting the development of cooperatives nationally over 5 years resulting in the establishment of 50 cooperatives over the same period (Transformation and equity imperatives: 85% Black, 60% women, 5% people with disability, 70% youth (35yrs or less), 80% from rural areas)	Establish and support 1 project supporting the development of cooperatives nationally in 2013/14 resulting in the establishment of 10 cooperatives over a two year period	The HWSETA has entered into an MOA with the National Department of Social Development for the development of Cooperatives in Poultry and Crop production.	List of confirmed cooperatives earmarked for technical support. Letter of conditional approval.	4	■	A proposal from the National Department of Social Development was received which addressed a far greater need than targeted to achieve, and this was supported by the Board.	SDP file no 1/ divider 16 See Project Manager
79	5 Partnership projects to provide training and development support to small businesses	250 health and welfare sector focused small businesses supported over a 5 year period across all provinces	50 health and welfare sector focused small businesses are supported in 2013/14 across all provinces	83 small businesses supported across all provinces in the reporting period.	Memorandum of Agreements and Board Minutes, List of SME's	4	■	More SMEs successfully participated in WSP submissions than originally anticipated	SDP file no 1/ divider 17 See Board Secretary
		All projects piloted by HWSETA are expanded through partnership funding over 5 years	No target for 2013/14						
80		Establish and support 1 quality project whereby 500 Skills Development Facilitators and/or labour representatives are trained over the NSD-SIII period (Transformation and equity imperatives: 85% Black, 60% women)	125 Skills Development Facilitators and/or labour representatives are trained in 2013/14 (Transformation and equity imperatives: 85% Black 60% women)	A training Provider has been appointed through the tender process. An SLA was entered into with the Training Provider and training of 150 learners has commenced in the fourth quarter.	Tender advertisement, Letter of appointment, Learner list	4	■	A tender for a larger group was advertised to benefit from this initiative.	See procurement Manager See Project Manager

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
81	Partnership projects to provide training and development support to small businesses (continued)	HWSETA provides support to 100 levy exempt NGOs over the NSDS period	100 levy exempt NGOs supported in 9 provinces in 2013/14	121 organisations were approved to receive levy exempt funding. 100 have submitted the MOAs so far.	MOAs , organisation list	4	■	More Levy Exempt organisations successfully participated in WSP submissions than originally anticipated	SDP file no 1/ divider 19
		Stakeholders expand the successful project with support from the NSF over 5 years	No target for 2013/14						
82	Education and training plans for the public (Health and Social Development) are revised and programmes implemented to build capacity.	HWSETA and Government departments agree on plans and funding arrangements for the 5 year period and implementation reported on.	Plans and funding arrangements are agreed upon with the Departments of Health and Social Development Nationally and in provinces for 2014/15 in 2013/14. Implementation of 2013/14 plans is reported	Four submissions from the National Social Development and Social Development Eastern Cape have been approved by the Board. Conditional Approval letters have been sent to the Departments and the MOA's will be submitted in the fourth quarter. Agreements have been entered into with departments of Health and Social Development.	Conditional Approval letters. MOAs, list of MOA's	4	■		Refer to Q3/divider EE SDP file no 1/ divider 20
83	Partnerships between DHET, SETAs, employers, private providers and public TVET colleges are resulting in increased capacity to meet industry needs throughout the country.	700 ECD learners supported on the ECD Level 5 qualification and 250 ECD learners supported on the ECD Level 4 qualification	450 ECD learners supported on the ECD Level 5 qualification	168 learners were able to progress from the previously funded level 4 learners. An additional 262 learners in Level 4 have been funded through a board decision. A total of 428 learners therefore have been funded for ECD.	MOAs and Learnership Agreements, Learner list	4	■	A combination of learners on Level 4 and level 5 was supported, rather than just Level 5. The support for Level 4 for based on a need to support projects in rural areas.	SDP file no 1/ divider 21
		500 emerging entrepreneurs supported on the New Venture Creation Programme	No target for 2013/14						
84	Strategic Priority 4.1 of HRD SA		Support 500 un-employed adults in training opportunities in literacy and ABET in 2013/14 (Transformation and equity imperatives: 85% Black 60% woman)	60 learners enrolled in other HWSETA projects are relevant to this indicator. Note: The HWSETA has given priority to other elements of the NSDS III strategy as this is not part of that strategy. This responsibility is being carried by the Department of Basic Education.	Learner registration forms, Learner list	4	■	The HWSETA has given priority to other elements of the NSDS III strategy as this is not part of that strategy. This responsibility is being carried by the Department of Basic Education.	SDP file no 1/ divider 22
85	Placement of Persons with Disabilities project (500)		Develop placement guide for people with disabilities , launch the project and make the Incentive Grant available to employers in the Sector in 2013/14	Guide for persons with disabilities was developed and distributed to employers in the sector. 155 learners have received work experience grants	MoA Workplace agreement and Guide , learner list	4	■		SDP file no 1/ divider 23
86	Special Funding Window		Funding for projects based on surplus funds available	10 projects have been funded through the special funding window. These applications are made on the ADHOC Funding proposal template.	MOAs	4	■		SDP file no 1/ divider 24
87	Middle level skills identified		5 qualifications developed	Portfolio of evidence and submission were completed and submitted to QCTO. Awaiting analysis from QCTO. The SLA has been signed by the QCTO and returned.	Service Level Agreement	5	■	The process of developing qualifications depends on the QCTO processes which are slow in providing feedback	ETOA file 1/ divider 3

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
88	Public TVET colleges and universities of technology are working in partnership with employers to provide workplace-based training.	Formal partnerships established with 20 TVET Colleges and 4 universities of technology	Partnerships developed with 5 TVET Colleges and 2 universities	Partnership with Durban University of Technology, Northern Cape Urban, King Hintsa, Talesto, Gert Sibande, College of Cape Town, West Coast, King Sabatha Dalindyebo, Umfolozi, Lephalele, Letaba, Goldfields, Ingwe, Mnambithi TVET Colleges have been signed. Partnership agreements with the University of the Free State and Walter Sisulu University have also been signed. Partnership agreements with University of KwaZulu-Natal, Ehlanzeni TVET College and UMgungundlovu TVET College have been prepared and sent for signature	A sample of Partnership Agreements	5	■	The need to sign more partnerships was identified based on the operational requirements.	Refer to Q3/divider NN Refer to ETQA file no 1/divider 4 Refer to ETQA file no 1/divider 7
	The NCV Health and Social Development curriculum is reviewed	NCV Health curriculum reviewed in 2015	Do mid-term impact assessment in terms of Job Driver 4.3 (new Growth Path)	Community Health Work Qualification completed and it has been submitted to SAQA for registration. Awaiting outcome.	N/A	5			
89	Inputs from stakeholders are included in the NCV(H)curriculum	Stakeholders' inputs included in the development of the NCV Health curriculum	Stakeholders' inputs included in the curriculum	The curriculum was developed and introduced to lecturers during 2012/13 financial year. In June/July 2013 a workshop was held to discuss the curriculum.	Attendance register	5	■		ETQA file no 1/divider 5
	It provide a sound foundational basis for building labour markets relevant skills;	Foundational basis (report) for building labour markets relevant skills developed;	Linked to previous labour market research and reported annually	To be completed once implementation of the qualification has taken place	N/A	5	■		
90	An NCV Social Development plan is developed.	NCV Social Development plan is developed	Development of plan	NCV (SD) plan has been developed	OCTO Moratorium	5	■		ETQA file no 1/divider 2
91	HWSETA identify TVET colleges with relevant Health and Social Development programmes in place	25 TVET colleges identified	5 TVET colleges identified	The following TVET Colleges have been identified: Northern Cape Urban, King Hintsa, Talesto, Gert Sibande, College of Cape Town, West Coast, King Sabatha Dalindyebo, Umfolozi, Lephalele, Letaba, Goldfields, Ingwe, Ehlanzeni, UMgungundlovu, Mnambithi TVET Colleges.	A sample of Partnership Agreements	5	■	The need to sign more partnerships was identified based on the operational requirements	Refer to Q3/divider NN ETQA file no 1/divider 4 ETQA file no 1/divider 7
92	Establish partnerships to offer vocational courses	25 Partnerships to offer vocational courses in place	5 MoUs signed	Partnership with Durban University of Technology, Northern Cape Urban, King Hintsa, Talesto, Gert Sibande, College of Cape Town, West Coast, King Sabatha Dalindyebo, Umfolozi, Lephalele, Letaba, Goldfields, Ingwe, Mnambithi TVET Colleges have been signed. Partnership agreements with the University of the Free State and Walter Sisulu University have also been signed. Partnership agreements with University of KwaZulu-Natal, Ehlanzeni TVET College and UMgungundlovu TVET College have been prepared and sent for signature	A sample of Partnership Agreements	5	■	The need to sign more partnerships was identified based on the operational requirements	Refer to Q3/divider NN Refer to ETQA file no 1/divider 4 Refer to ETQA file no 1/divider 7
93	Support work experience for college learners. (500- see line 33)	Work experience grants for 1000 college learners available	Public TVET college learners supported and mid-term impact assessment	1033 learners are being supported with funding from the HWSETA	MOAs and register of learners	4	■	We slightly overachieved on this target. It is difficult to meet each target exactly but it is better to slightly overachieve like in this instance.	SDP file no 1/divider 25
94	Set guidelines of ratios of trainees: artisans	New target: Artisans - 1:3:8, other programmes 1:25, mentorship 1:5	New HWSETA Commitment	Guidelines have been set in the Accreditation policy	Accreditation policy	5	■		ETQA file no 1/divider 8
95	Improving the role and function of TVET Colleges	NSDS III: target 4.3.1.2 and 4.3.2.2	Will contribute to National Commitment	MoUs with public TVET colleges have been signed and King Hintsa TVET College has received an extension of scope to offer the Social Auxiliary Work qualification. Lectures have been trained	Learning Programme Evaluation and Approval Feedback letter	5	■		ETQA file no 1/divider 6

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
96	Manage the transition process of QCTO quality assurance away from SETA		New HWSETA Commitment	Positions for the two qualifications of-ficers have been advertised, short listing completed and interviews will be conducted. ETQA was audited by QCTO. Awaiting the final report from QCTO. HWSETA has been represented at the different QCTO Forums and task teams. Plans for transition have been addressed in the next financial year.	Copy of Advertisement Copy of Self Evaluation Report - QCTO	5	■		ETQA File1/divider 1
97	Building capacity of training providers to become accredited to offer HWSETA accredited qualifications	200 training providers accredited on full qualifications and approved skills programmes	Capacity Building for 100 providers conducted and 50 providers accredited	Capacity building for 135 providers conducted and 129 providers accredited.	Attendance registers.	5	■	The service provider cost to implement the project allowed for more providers to be accommodated	ETQA file 2/divider 8
98	Facilitate the generation of Health and Social Development key specific qualifications and registration with Quality Council for Trades and Occupations (QCTO)	20 Qualifications developed in line with QCTO requirements and registered with QCTO	Conduct consultation with key stakeholders and identify 5 qualifications to be facilitated for development and registration with QCTO. Develop and register 5 qualifications with QCTO	One qualification has already been developed and submitted to the QCTO for registration. 90% of the second qualification is complete. Final facilitation session will be done in the next financial year. Pre-scoping sessions held for one qualification. Further meetings with stakeholders were held to deliberate on the development of qualifications. Pre-scoping meetings to be held once QCTO moratorium is lifted.	Copies of qualifications	5	■	The process of developing qualifications depends on the QCTO processes which are slow in providing feedback	See Qualifications Manager
	Development of curriculum frameworks for Health and Social Development qualifications	A curriculum framework developed and implemented within the Health and Social Development Sector. 20 Curriculums developed in line with qualifications development and registered with QCTO	5 Curriculums Developed in line with qualifications developed and registered with QCTO	The CHW qualification was submitted to QCTO for registration. Awaiting feedback from QCTO. HWSETA has been registered as the AQP in the interim. SLA has been signed by both the HWSETA and QCTO CEO'S. Appointment of facilitator pending to finalise the Social Auxiliary work qualification. Curriculum development will start once moratorium is lifted.	Submission to the CEO for the appointment of the facilitators. 2: SLA	5	■		ETQA File1/divider 2 & 3
99	Development of learning materials for registered qualifications with QCTO and SAQA.	20 Learning materials developed for qualifications registered with QCTO and SAQA	5 Learning Materials Developed for 5 qualifications registered with SAQA and QCTO	Six learning programmes have been approved by the board to be developed during the financial year of 2013/14. These include: 1. Social Auxiliary Work (SAW): The learning programme has been developed and final draft has been submitted to the SACSSP for approval. 2. Child and Youth Care Work: This learning programme was purchased from the Huguenot College as their programme had already been evaluated and approved in partnership with the SACSSP. 3. FETC: Public Awareness Promotion of Dread Disease and HIV/AIDS qualification: The developer has been contracted and is in the process of developing the learning programme 4. NC: Occupational Health, Safety, (OHS) and Environment qualification: A developer has been contracted to develop all three OHS qualifications. The developer has started by developing this learning programme 5. NC: Occupational Hygiene and Safety qualification: This learning programme will be developed once the NC: Occupational Health, Safety, and Environment qualification learning programme has been completed. 6. FETC: Occupational Hygiene and Safety qualification: This learning programme will be developed once the NC: Occupational Hygiene and Safety qualification learning programme has been completed	3 SLAs Sample of the final draft of SAW learning programme	5	■	It took time to find experts to develop the learning programmes and the process of development itself is quite long and complex.	ETQA file 1/divider 4



Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
100	Evaluate learning programmes submitted by HWSETA primary and secondary providers for full qualification accreditation	Evaluate 200 learning programmes for accreditation	Evaluate 50 Learning materials for accreditation of training providers	170 learning programmes have been evaluated for accreditation.	Statistics and lists of learning programmes evaluated per province	5	■	The estimated number targeted was less than the actual applications received and approved. It is very difficult to pre-empt actual numbers.	ETQA File2/divider 1
101	Evaluate and approve skills programmes for registration and implementation by training providers	Evaluate and approve 50 skills programmes for registration	Evaluate and approve 15 skills programmes for registration	91 skills programmes have been evaluated for registration.	Statistics and lists of evaluated skills programmes per province	5	■	The estimated number targeted was less than the actual applications received and approved. It is very difficult to pre-empt actual numbers.	ETQA File2/divider 2
102	Workplaces approved for implementation of learnerships that are quality assured by the HWSETA as an ETQA	Evaluate and approve 200 workplaces to implement learnerships and qualifications	Evaluate and approve 50 workplaces for practicals for learnerships and qualifications	34 workplaces evaluated for Gauteng/North West province and 01 Workplace evaluated for Western Cape/Northern Cape province.	Validation Report. Refer to attachment "Approved Site Validation Reports". Evidence of reports with SDP.	5	■	Depends on the available learnerships at the time.	ETQA File2/divider 3
103	Registration of assessors and moderators in respect of HWSETA primary focus qualifications and skills programmes	Register 160 Assessors and 80 Moderators to assess and moderate HWSETA quality assured qualifications and skills programmes	Register 40 Assessors and 20 Moderators	691 assessors and 231 moderators have been registered	Assessor/moderator list and stats	5	■	The estimated number targeted was less than the actual applications received and approved. It is very difficult to pre-empt actual numbers.	ETQA file no2/divider 4
104	Manage agreements with other SETA ETQAs, Band ETQAs, and professional bodies effectively and efficiently and in line with the QCTO and SAQA requirements.	Sign and maintain relationship with 40 Professional bodies, SETA ETQA and band ETQA	10 Agreements signed	SLA with QCTO has been signed which encompasses relationships between the SETAs which carry the Quality Assurance function.	QCTO/HWSETA SLA	5	■		ETQA file 1/divider 3
105	Verification of assessments conducted by accredited education and training providers for qualifications quality assured by HWSETA	Verify 160 providers for skills programmes, learnership and full qualifications	Verify 40 Providers	Training offered by 112 training providers has been verified.	List and stats of verified training providers	5	■	The estimated number targeted was less than the actual applications received and approved. It is very difficult to pre-empt actual numbers.	ETQA File2/divider 5
106	Capacity building and facilitation of online upload of learner achievement data by HWSETA accredited providers on the HWSETA Seta Management System (SMS). Upload and provide information to SAQA for NLRD purposes	Build capacity for 200 providers to upload learner achievement information on the SMS. Upload information for learners, assessors, moderators and providers on the SAQA NLRD System and maintain Green status with SAQA for compliance to requirements	Build capacity for 50 providers to upload learner achievement information. Provide information to SAQA as per requirements and maintain Green status	212 training providers have gone through capacity building	Attendance registers	5	■	The planned number was based on the estimated numbers of newly accredited providers. The actual need was more because of newly recruited staff and those who required refresher sessions.	ETQA file no 2/divider 6

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
107	Certification of HWSETA primary focus learners, providers, assessors, and moderators	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	8479 certificates for learners have been issued. Please note: Certificates for registered assessors and moderators are no longer issued by the HWSETA.	Screen shot of Seta Management System Sample of list of learner certificates issued	5	■	The estimated number targeted was less than the actual applications number of learners verified and endorsed. It is very difficult to pre-empt actual numbers.	ETQA file 2/ divider 7
108	Promote and facilitate the implementation of the Investors in People Standard to HWSETA primary focused providers and employers	Implement and facilitate the achievement of the Standard to 50 Providers and 50 Employers	Build capacity for implementation of the Standard to 50 Employers and 50 Providers. Facilitate the implementation of the Standard. First level assessment conducted for implementation of the Standard	This target will be implemented in the next financial year	N/A	5	■	The initial process leading to the achievement of implementing investors in people are not yet in place. Once these are in place, then this will be pursued for achievement.	
109	Grade providers based on the developed 5 Star Grading System to promote continuous quality assurance	Conduct Grading for 300 providers and place them on the different levels of the Grading System. Publish the list of the providers on HWSETA website	Evaluate providers for grading purpose. 100 providers to be graded and the list published on the HWSETA website	Data cleaning project started and SLA signed	N/A	5	■	Training providers accredited by the HWSETA are still at the development phase and are therefore not ready for grading.	
110	Develop RPL assessment centres and RPL tools	Develop 1 RPL assessment centre per region in the TVET Colleges and RPL tools for 5 key qualifications. RPL 1500 employees on HWSETA registered qualifications and skills programmes	Build capacity for 9 RPL centres. Finalise the RPL tools and conduct trial runs in the 9 RPL centres.	RPL is the responsibility of each provider who is accredited as it forms part of the registration or enrolment process. Providers indicate during verification when they have conducted RPL and this is assessed by HWSETA officials during the verification process. The indicator will be recommended for review.	Section 2.8 of the LPE application form.	5	■		ETQA file no 2/ divider 9
111	Contracts / MoUs / SLA management	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 by the second week after the end of each quarter	A total of 20 SLAs and MoAs submitted for legal vetting and finalised Register of contracts maintained and expiry of contracts communicated to the divisions monthly.	Register	6	■		Refer to Q3/ divider NN Legal File no 1/ divider 1
112	Contraventions of legislation	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 detailing status/action and progress. To be reported on by the 7th of each month to CEO, and second week at the end of each quarter to sub-committees and Board	Monthly reports submitted to CEO. Submission to Standing Committees and Internal Auditors	Monthly and tip off reports and submissions	6	■		Legal File no 1/ divider 2 For signed copies see Legal Advisor
113	Tender and Procurement compliance	Review compliance to tender and procurement procedures and report quarterly	Vet all tender documents on a need basis. Attend tender committee meetings as and when they are called. Report quarterly on any violations with action and progress by the second week of the end of each quarter	No violations identified. All bid tender meetings for the year attended and 2 SLA's vetted by legal.	Minutes of meetings, Finalized SLA's	6	■		See Procurement Manager

Target	Health and Social Development Sector interventions	Health and Social Development 5 Year Key Performance Areas	2013/14	Progress to 31 March 2014	Means of verification	Programme	CD	Reason for Over or Under Achievement	File Ref
114	Litigation	Effectively deal with all litigation matters involving the HWSETA in an appropriate and timeous manner.	A register of progress and action in all litigation cases. Reporting quarterly on these matters to sub-committees and CEO by the second week of the end of each quarter	Two litigation matters pending and reports submitted to standing Committees and Board	Submissions and monthly reports. Audit Committee pack for March 2014	6	■		Legal File no 1/ divider 2 See Board secretary
115	New legislation	Monitor new legislative development and inform the CEO and Executive Managers of implications for the HWSETA	Monthly reports submitted to Executives on new legislation and the effect on the HWSETA by the 7th of each month	Monthly updates at Senior Management meeting	Minutes of meetings Senior Management Meeting	6	■		See PA to the CEO (documents are confidential)
116	HWSETA policies	Identify new policies required by HWSETA and review existing policies to determine suitability and update in terms of new legislative changes	Policy register updated quarterly by the second week of the end of each quarter. Identify policies that need review/change due to practice or legislation. Progress on policy review and approval.	Register updated quarterly	Register	6	■		See legal advisor
117	SLA with DHET	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 by 30 August 2013 and 30 November 2013	Final draft of the STRATPLAN, APP, SLA and Budget submitted as per regulations	Letter of acknowledgement of receipt Copies of submitted documents	2	■		RIME file no 3/ divider 2&3
118	Performance review sessions	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 by the third week after the end of each quarter	Bi-monthly Executive Management Team meetings held to review progress and corrective action	Minutes of meetings	6	■		See PA to the CEO (documents are confidential)
119	Mandatory grants to employers	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.	The 4th quarter of 2012/13 was paid on time in June 2013, and the list quarter mandatory grant payments paid on 30 Sept 2013 in line with the new Grant Regulations	Mandatory grant file and payments register	3	■		See Financial Manager

### Key

■ Achieved
 ■ Good Progress
 ■ Limited Progress

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“For the year under review the HWSETA has made great strides in achieving its goals. This has required a great deal of passion and commitment from staff that have put their shoulders to the wheel to improve on performance of previous years. The unplanned mandates necessitated by the economic situation of our country put the HWSETA in a situation whereby acceleration of delivery was not negotiable.”

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*SDP Report*



## Section 3

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# Divisional Reports

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Skills Development Planning (SDP) Division

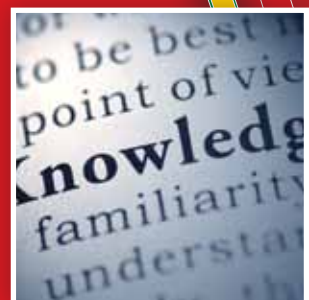
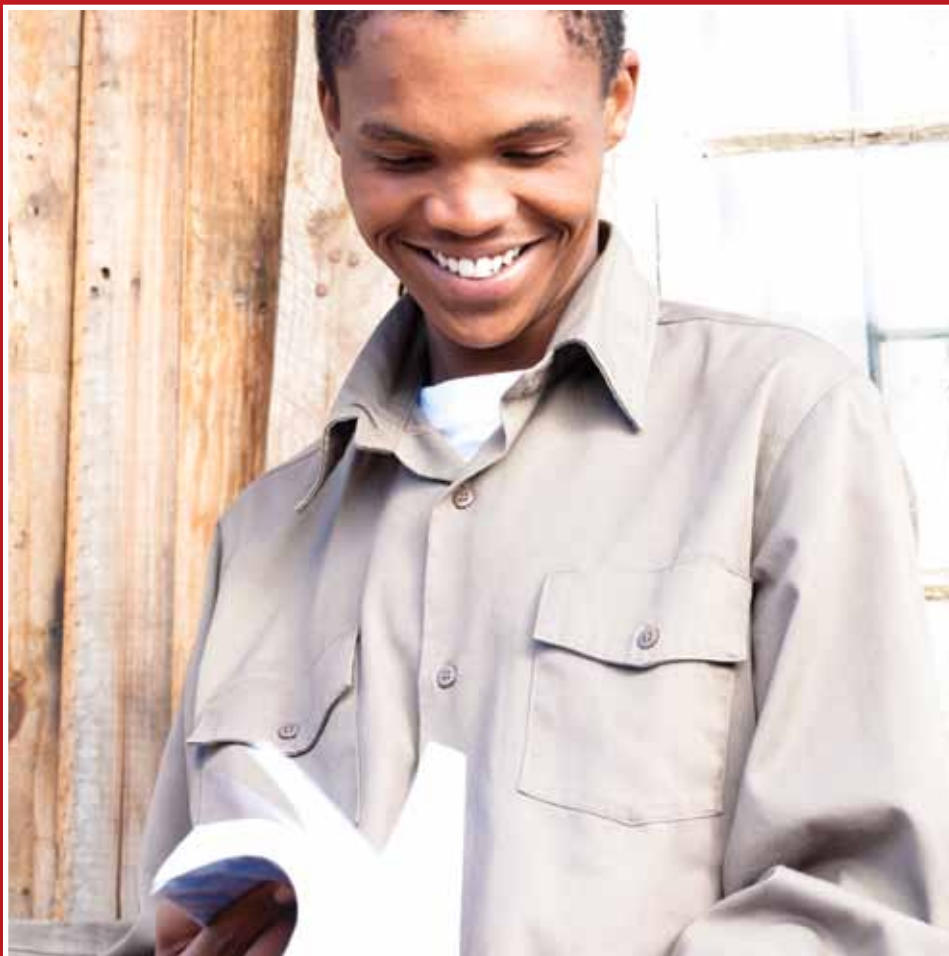
Education and Training Quality Assurance (ETQA) Division

Research, Information, Monitoring  
and Evaluation (RIME) Division

Corporate Services Division

Report of the Finance Division

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# Skills Development Planning (SDP)

**Patrick Samuels**  
Executive Manager: Skills Development Planning Division

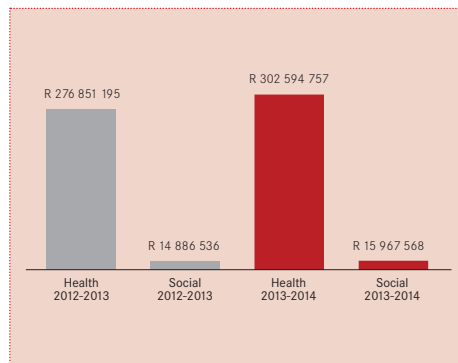
For the year under review the HWSETA has made great strides in achieving its goals. This has required a great deal of passion and commitment from staff that have put their shoulders to the wheel to improve on performance of previous years. The unplanned mandates necessitated by the economic situation of our country put the HWSETA in a situation whereby acceleration of delivery was not negotiable.

A key indication of the good performance of the division can be seen in the disbursement of over R110million worth of discretionary grant funding and R86 million worth of mandatory grant funding. This reflects a vast improvement over last year for discretionary grant funding in particular, where only R67million was disbursed last year.

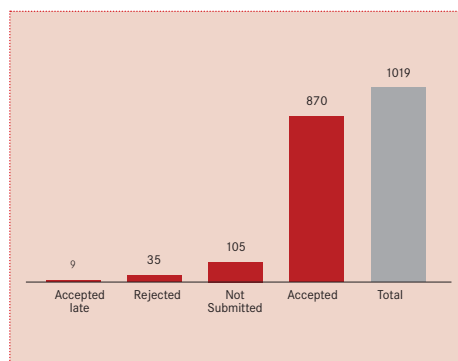
In terms of this report the HWSETA has exceeded certain targets set. This is because of the support and guidance of the Skills Development Standing Committee and the Board. The details provided below are the highlights of achievements and the appreciation of challenges encountered during implementation.

## Skills Development Participation

### Skills Development Levy Participation



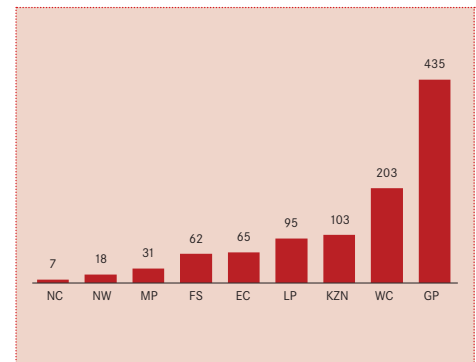
### Participation by Levy Paying and Non-levy Paying Organisations



A total of 914 WSPIR's were submitted by participating organisations; 754 from levy paying organisations and 160 from non-levy paying organisations. Of the 754 submissions from levy paying organisation, 726 WSPIR's were approved and 28 rejected. Of the 160 submissions from non-levy paying organisations, 153 WSPIR's were approved and 7 rejected. The rejections were due to non-compliance with the submission criteria.

During the 2012/13 year 88 plans were rejected. There was an improvement in 2013/14 as the number decreased to 35 rejected plans. This is as a result of concerted efforts made to ensure support and compliance.

### Participation by Organisations Provincially



From the chart above it can be seen that the highest numbers of participation are from the big provinces with 435 organisations based in Gauteng, 203 based in the Western Cape and 103 based in Kwa-Zulu Natal. Concerted efforts will be made in 2014/15 to ensure that the participation rate from the other provinces is increased.

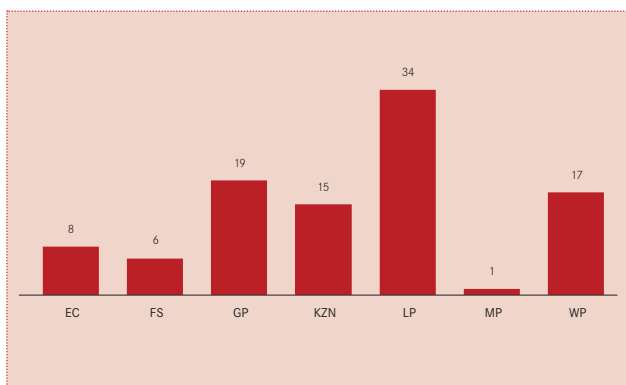
In the year under review, upon perusal and analysis of the submitted WSPs, the following training interventions have been identified as training needs by employers:

- Fund raising
- Researchers
- Entrepreneurial skills
- Project management
- Financial management
- Human Resource management
- Nursing
- Pharmacy
- Quality training
- Engineering
- Management
- HIV/AIDS Awareness
- Life skills
- Computer skills (basic and intermediate)
- Customer care
- Driving
- Engineering
- Fire fighting
- Rehabilitation
- Risk training

### Skills Development Projects

During 2013/14 the HWSETA funded 100 levy exempt organisations (NGOs, FBOs, CBOs and Section 21 Companies).

### Provincial Spread of Levy-exempt Organisations Funded

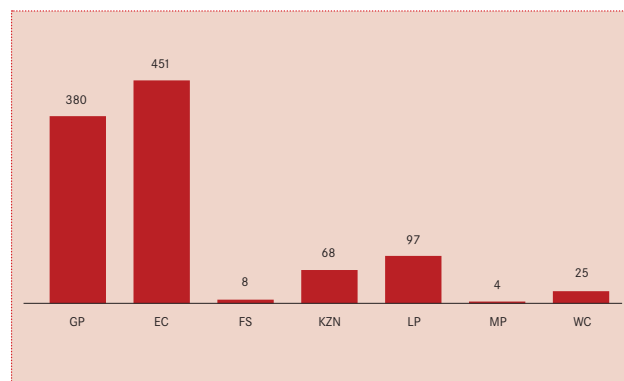


The funding covered the following training interventions:

- Customer Care
- Computer Skills
- Project Management
- HR Management
- Financial Management
- Research Skills
- HIV/AIDS
- Management
- Fund Raising
- Life Skills

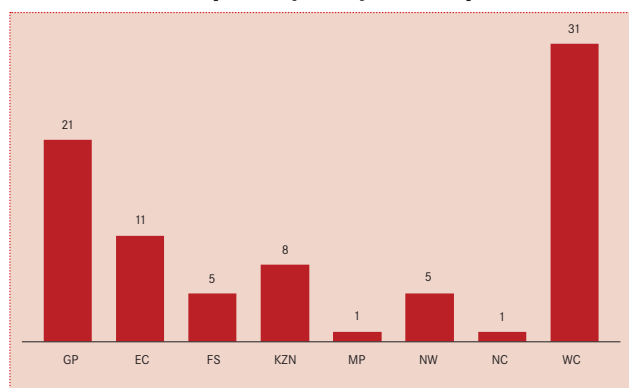
### TVET Graduate/Learner Workplace Experience

#### Placement of TVET Graduate Learners by Province



During the 2013/14 financial year the target for placement of unemployed TVET graduates or learners in need of workplace experience was increased due to the need in the country at large. The HWSETA's target was 1000 nationally and a total of 1033 were placed with employers. This was a result of a concerted effort by the HWSETA to ensure that more learners get exposure in order to be employable in the sector.

## Small Micro Enterprises (SMEs) Funded per Province



A Total of 146 SMEs were funded towards training and development of their employees. Each organisation was awarded a maximum of R20,000 to focus on Skills Development priority areas. Employers trained employees in the following interventions:

- Industry Specific Courses
- Continuous Professional Development Courses
- Other courses limited to:
  - Management and Supervisory
  - Finance, Accounting and Corporate Governance
  - Project Management
  - Sales, Marketing and Customer Service
  - Information Technology
  - Skills Development Facilitator Training
  - First Aid Training
  - Occupational Health and Safety
  - HIV/AIDS
  - Presentation and communication Skills

## Bursaries for Unemployed Persons

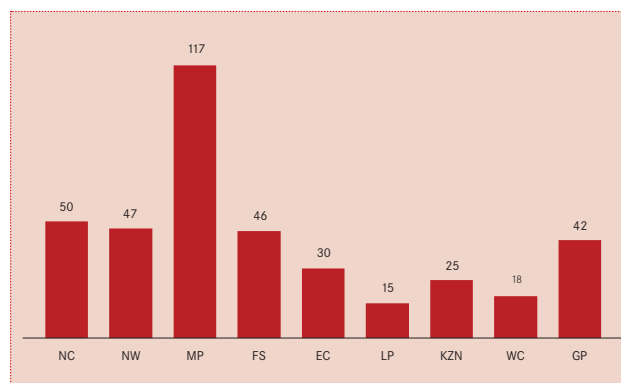
During the 2013/14 financial year the HWSETA entered into a partnership with the National Student Financial Aid Scheme (NSFAS) towards the funding of bursaries to unemployed learners enrolled at Universities, Universities of Technology as well as TVET colleges. A total of 559 learners studying towards Health and Social Development related qualifications were funded.

The HWSETA exceeded the target of 350 as per the Service Level agreement with the DHET. The year of study of these learners varies from year 1 to final year. The students were drawn from all institutions of higher education nationally. Only students in the Social Development and Health study fields were funded.

Universities	Number of Learners Supported
University of Kwa-Zulu Natal	16
Walter Sisulu University	227
Nelson Mandela Metropolitan University	60
Rhodes University	8
Cape Peninsula University	8
Durban University of Technology	2
Tshwane University of Technology	6
University of Cape Town	152
Umfolzi TVET	80

## Bursaries for Employed Persons (workers)

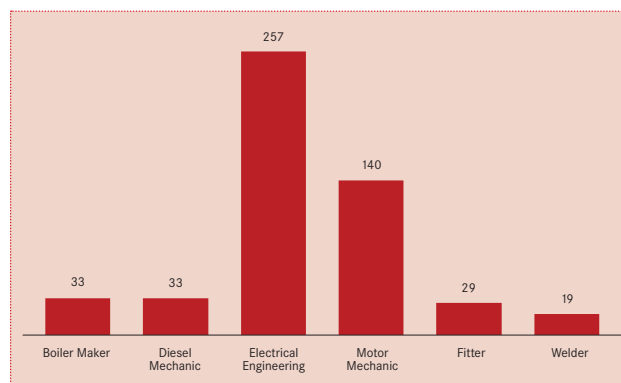
During the 2013/2014 financial year employers in the health and social development sectors were approved grants for bursaries for the training and development of employees. These bursaries covered skills programmes and formal qualifications.



## Pre-Apprenticeship Grant

The pre-apprenticeship grant was designed to enable learners who wish to enter into an apprenticeship but do not have the minimum requirements. The minimum requirements to enter into an apprenticeship as set by the National Artisan Moderating Body is for a learner to be in possession of a trade related N1 certificate.

A total of 511 learners have been funded for the trades in the table below:



During the period under review the HWSETA entered into agreements with a total of 8 Public TVET Colleges (Umfolzi, Gert Sibande- Lephallale- Letaba- King Hintsa- King Sabatha Dalindyebo- West Coast College- College of Cape Town) for the training of unemployed learners in the trade related N1 qualification.

## Work Experience for Persons with Disabilities

In an attempt to address the challenge of employment of persons with disabilities, the HWSETA implemented the Work Experience Grant for persons with disabilities.

Learners were placed with the QuadPara Association of South Africa (QASA) in various administrative positions. This project was implemented in six provinces, namely: Gauteng, Limpopo, Western Cape, Free State, Eastern Cape and Kwazulu Natal. In the next financial year, a concerted effort will be made to bring the other provinces on board.



## Post Graduate Research Bursaries

The HWSETA in its endeavour to increase the number of researchers for the Health and Social Development Sector, has funded 21 learners who are currently studying towards their Master's and Doctorate qualifications with Higher Education Institutions. These learners are all researching topics related to the Health and Social Development Sector as part of their thesis.

The HWSETA has entered into tri-party agreements with the following institutions from which the 21 learners are registered:

- University of Fort Hare
- University of Kwazulu Natal
- University of Witwatersrand
- University of Zululand
- University of Limpopo
- University of South Africa
- University of Cape Town
- University of Free State

## Internships

The HWSETA funded 291 unemployed Social Work graduates to be placed in an internship with the Department of Social Development in Limpopo for a period of one year. The HWSETA Accounting Authority has approved funding for a further 600 learners in the following fields:

- Social Work
- Biomedical Technology
- Medical Technology

The 600 learners will be placed in the coming year with employers in the following provinces:

- Mpumalanga
- Limpopo
- Eastern Cape
- Free State
- Gauteng
- Western Cape

## Trade Union Capacity Building

The HWSETA, as part of its initiative to improve the Skills of Trade Unions that operate within the Health and Social Development sector, funded 300 Trade Union representatives to be trained on the Skills Development Facilitator course. The training was facilitated in the following regions and 125 Trade Union representatives have been trained thus far:

- Gauteng
- Mpumalanga
- North West
- Free State
- Northern Cape

The training will continue and more officials will be trained in the 2014/15 year.

## Early Childhood Development

The HWSETA funded unemployed learners from disadvantaged communities for the Early Childhood Development NQF level 4 qualification as part of its rural development strategy. Partnerships were formed with TVET colleges that have been accredited through the ETDP SETA on the qualification.

The table below illustrates the number of learners that were funded

Province	Municipality	Number of Learners
Eastern Cape	OR Tambo Municipality, Chris Hani	113
Northern Cape	Tswaing, Ditsobotla, Namakhoi, Kamiesberg, SolPlaatjie	57
Kwazulu Natal	Mpendle	30
Free State	Matloasana, Mangaung, Mosaweng, Masilonyana	91

The HWSETA further progressed a total of 137 learners that were previously funded by the SETA in 2012/13 on ECD level 4 to level 5. These learners are from the following regions:

Region	Number of Learners
Western Cape	47
Eastern Cape	3
Northern Cape	37
Free State	15
Gauteng	35

## TVET Partnerships

During the 2013-2014 financial year the HWSETA entered into partnerships with the following public TVET colleges;

- Ingwe TVET College
- Umfolozi TVET College
- Gert Sibande TVET College
- Umgungundlovu TVET College
- Lephalale TVET College
- Letaba TVET College
- Northern Cape Rural TVET College
- King Hintsa TVET College
- King Sabatha Dalindyebo TVET College
- College of Cape Town
- West Coast College
- Gold Fields TVET College

The partnerships cover the following areas/aspects:

- Training of unemployed learners in Early Childhood Development
- Training of unemployed learners in N courses
- Training of Unemployed learners in the Social Auxiliary Work learnership

## Learnerships

### Employed learners that entered learnerships by province

Qualification	Province										Total
	EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC		
1 Nursing: Auxiliary	21	4	27	8	0	2	14	2	3	81	
2 Nursing: Enrolled	44	53	129	28	22	31	25	15	119	466	
3 Nursing: Bridging	40	55	461	170	83	50	38	14	154	1065	
4 Nursing: PB Primary Healthcare	0	0	62	30	0	0	4	0	6	102	
5 Nursing: Operating Theatre	4	1	32	17	1	0	0	1	2	58	
6 Nursing: Critical Care	10	4	42	58	2	0	4	0	10	130	
7 Basic Pharmacist Assistant	7	9	75	50	14	10	22	1	25	213	
8 Post Basic Pharmacist Assistant	25	4	58	74	34	15	9	1	23	243	
9 Phlebotomy Techniques	1	1	8	1	0	0	0	0	0	11	
10 Diagnostic Radiography	0	0	0	0	0	0	1	0	0	1	
11 Social Auxiliary Work	1	1	3	1	1	4	1	0	5	17	
12 Community Health Work	1	0	0	0	0	0	0	0	80	81	
13 Child and Youth Care	0	50	0	0	0	0	0	0	0	50	
14 Wholesale and Retail Buying Planning	1	0	0	0	0	0	0	0	9	10	
15 Business Administration	0	0	8						10	18	
<b>Totals</b>	<b>155</b>	<b>182</b>	<b>905</b>	<b>437</b>	<b>157</b>	<b>112</b>	<b>118</b>	<b>34</b>	<b>446</b>	<b>2546</b>	

### Unemployed learners that entered learnerships by province

Qualification	Province										Total
	EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC		
1 Nursing: Auxiliary	13	26	56	1	11	1	107	12	32	259	
2 Nursing: Enrolled	27	9	84	113	2	16	62	1	61	375	
3 Nursing: Bridging	3	3	92	26	2	2	5	0	34	167	
4 Nursing: Critical Care	0	0	0	1	0	0	0	0	0	1	
5 Basic Pharmacist Assistant	71	2	98	120	57	35	25	0	42	450	
6 Post Basic Pharmacist Assistant	17	1	54	62	29	5	16	1	27	212	
7 Phlebotomy Techniques	4	5	34	17	2	1	3	1	62	129	
8 Diagnostic Radiography	1	0	65	1	18	3	4	4	0	96	
9 Social Auxiliary Work	0	2	4	0	0	0	0	6	8	20	
10 Child and Youth Care	0	10	0	0	0	0	0	0	2	12	
11 Community Health Work	0	0	0	0	0	0	0	0	1	1	
12 HIV AIDS Support	0	0	0	0	1	0	0	0	0	1	
13 Business Administration	0	0	20	0	0	1	1	0	36	58	
14 Early Childhood Development	113	91	0	0	0	0	0	0	0	204	
<b>Totals</b>	<b>249</b>	<b>149</b>	<b>507</b>	<b>341</b>	<b>122</b>	<b>64</b>	<b>223</b>	<b>25</b>	<b>305</b>	<b>1985</b>	

The targets for this implementation were stretched from 1200 learners to 3000 learners. The initial target was met and the stretched target is work in progress. Memorandums of Agreements have been entered into with employers and training will commence during 2014.

## Employed learners that completed learnerships by province

Qualification	Province									
	EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC	Total
1 Nursing: Auxiliary	20	37	81	2	11	18	11	6	116	302
2 Nursing: Enrolled	20	19	83	15	19	17	13	5	112	303
3 Nursing: Bridging	27	35	196	69	32	35	23	9	109	535
4 Nursing: PB Primary Healthcare	0	0	0	3	0	0	2	0	0	5
5 Nursing: Operating Theatre	0	4	6	1	0	0	2	0	6	19
6 Nursing: Critical Care	3	0	35	2	2	5	3	0	7	57
7 Basic Pharmacist Assistant	14	3	36	7	3	4	5	0	17	89
8 Post Basic Pharmacist Assistant	5	5	15	8	3	2	3	1	11	53
9 Phlebotomy Techniques	5	0	8	0	0	0	0	0	7	20
10 Diagnostic Radiography	0	0	1	0	0	0	0	0	0	1
11 Social Auxiliary Work	12	1	22	20	72	17	4	0	11	159
12 Ancillary Health Care	31	79	0	1	0	3	0	0	0	114
13 Community Health Work	0	0	2	1	1	0	0	0	0	4
14 HIV AIDS Support	0	0	0	0	2	0	0	0	0	2
15 Wholesale and Retail Buying Planning	1	0	0	0	0	0	0	0	0	1
<b>Totals</b>	<b>138</b>	<b>183</b>	<b>485</b>	<b>129</b>	<b>145</b>	<b>101</b>	<b>66</b>	<b>21</b>	<b>396</b>	<b>1664</b>

## Unemployed learners that completed learnerships by province

Qualification	Province									
	EC	FS	GAU	KZN	LIMP	MPU	NW	NC	WC	Total
1 Nursing: Auxiliary	6	14	11	26	2	3	7	2	31	102
2 Nursing: Enrolled	11	1	44	52	1	10	0	0	8	127
3 Nursing: Bridging	0	1	3	5	0	1	0	0	1	11
4 Basic Pharmacist Assistant	1	0	12	14	19	0	12	0	2	60
5 Post Basic Pharmacist Assistant	0	10	2	0	0	0	2	0	1	15
6 Phlebotomy Techniques	11	2	18	6	1	0	1	0	9	48
7 Diagnostic Radiography	1	19	24	1	5	1	0	0	1	52
8 Social Auxiliary Work	171	17	631	155	217	159	2	0	176	1528
9 Ancillary Health Care	5	303	4	14	1	5	1	0	1	334
10 Community Health Work	0	0	178	2	739	1	0	0	8	928
11 Child and Youth Care	0	0	31	0	4	0	0	0	516	551
12 HIV AIDS Support	0	0	1	0	20	0	0	0	0	21
<b>Totals</b>	<b>206</b>	<b>367</b>	<b>959</b>	<b>275</b>	<b>1009</b>	<b>180</b>	<b>25</b>	<b>2</b>	<b>754</b>	<b>3777</b>

## Skills Programmes

### Employed and unemployed learners that entered skills programmes 2013/14

Province	Employed	Unemployed	Total	Equity		Gender		PWD
				Black	White	Female	Male	
1 Eastern Cape	175	228	403	387	16	352	51	3
2 Free State	3	0	3	2	1	3	0	0
3 Gauteng	4687	12	4699	3194	1505	4342	357	3
4 KwaZulu-Natal	8	2	10	10	0	10	0	0
5 Limpopo	1183	1281	2464	2463	1	2333	131	1
6 Mpumalanga	720	23	743	492	251	655	88	1
7 North West	90	2	92	85	7	86	6	0
8 Northern Cape	57	6	63	63	0	48	15	0
9 Western Cape	399	51	450	439	11	362	88	0
<b>Total</b>	<b>7322</b>	<b>1605</b>	<b>8927</b>	<b>7135</b>	<b>1792</b>	<b>8191</b>	<b>736</b>	<b>8</b>

### Employed and unemployed learners that completed skills programmes 2013/14

Province	Employed	Unemployed	Total	Equity		Gender		PWD
				Black	White	Female	Male	
1 Eastern Cape	172	38	210	194	16	176	34	3
2 Free State	3	0	3	2	1	3	0	0
3 Gauteng	4715	12	4727	3224	1503	4373	354	3
4 KwaZulu- Natal	8	2	10	10	0	10	0	0
5 Limpopo	7	4	11	10	1	10	1	0
6 Mpumalanga	721	23	744	492	252	655	89	1
7 North West	90	2	92	85	7	86	6	0
8 Northern Cape	57	6	63	63	0	48	15	0
9 Western Cape	400	51	451	439	12	363	88	7
<b>Total</b>	<b>6173</b>	<b>138</b>	<b>6311</b>	<b>4519</b>	<b>1792</b>	<b>5724</b>	<b>587</b>	<b>14</b>

The number of completions is less than the entries due to the fact that the skills programmes commence and end at different intervals. The variance will be accounted for in the coming financial year as it is work in progress.

## Artisan Development

In the year under review the HWSETA approved a strategy for 300 learners to be trained on the accelerated artisan programme in partnership with the Swiss-South African Cooperation Initiative (SSACI). 82 learners have been placed thus far in the following trades:

- Electrical
- Millwright
- Air conditioning and Refrigeration

The recruitment of the balance of the learners is still underway. There is a challenge with capacity of training providers and employers to accommodate large numbers nationally.

Patrick Samuels  
Executive Manager:  
Skills Development Planning Division

## QuadPara Association of South Africa Hosts Learners with Disabilities

The HWSETA's work experience grant programme for learners with disabilities received a boost through the placement of ten persons with disabilities in a variety of administrative positions at the QuadPara Association of South Africa (QASA).



Mbale Mdletshi



Collen Rakumakoe



Anda Mthulu



Pillendren Chetty



Nokuthula Qwabe



Nevonina Moodley



Mzamo Twani



Tanki Sixishe



Sizwe Nxumalo



Joseph Machweu



# Education and Training Quality Assurance (ETQA)

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Jane Motubatse  
Executive Manager:  
ETQA

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The ETQA Division comprises three subdivisions, namely: Provider Accreditation, Learner Achievement and Qualifications Development and Maintenance. The manager for each subdivision is responsible for the daily operations of each sub-division.

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ETQA is responsible for quality assurance of training delivered in the health and social development sectors. This responsibility is carried out as mandated and delegated by South African Qualifications Authority (SAQA) and the Qualifications Council for Trade and Occupations (QCTO) as per the National Qualifications Framework (NQF) act 67 of 2008. The division is managing the transition from legacy (SAQA) to occupational qualifications (QCTO) until QCTO fully take over responsibilities.

As part of the transitional arrangement, the mandate conferred to the ETQAs by SAQA as per Chapter 2 of the SAQA regulation No. R1127 of 1998 is valid until 2016. The accreditation of the ETQA division was extended until 2016 when all legacy qualifications will expire and be replaced by occupational qualifications.

## Accreditation of skills development providers

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Owing to the HWSETA's provincial presence, the ETQA division played an active role in capacitating skills development providers. The development and supply of approved training materials to applicant skills development providers was also a dynamic process that led to the increase in the number of newly accredited skills development providers. Skills development providers whose accreditation had expired, showed interest in continuing their relationship with the HWSETA and applied for re-accreditation.

## Registration of Assessors and Moderators

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The ETQA division over achieved on the registration of assessors and moderators target for the 2013/2014 financial year (refer to performance report). This is mainly because the number of applications received exceeded the projected target. All those received were processed and concluded.

## Development of Learning Materials for the Sector

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During the reporting period, the ETQA commissioned the development of learning materials linked to the following qualifications: Social Auxiliary Work; Child and Youth Care Work; Public Awareness Promotion of Dread Disease and HIV/AIDS; National Certificate Occupational Health Safety and Environment; National Certificate Occupational Hygiene and Safety; Further Education and Training Certificate Occupational Hygiene and Safety. The Child and Youth Care Work qualification was finalised and the rest will be concluded in the second quarter of the 2014/15 financial year.

## Promotion of Quality in the Sector

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212 Skills Development Providers were supported on the use of the HWSETA Seta Management System (SMS). The SMS enables users to upload learner information and link assessors and moderators.

## Green Status Achieved on National Learner Record Database

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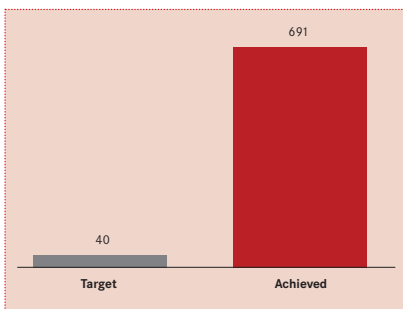
The correct updating/uploading of data onto the SMS resulted in the HWSETA obtaining green status on the National Learner Record Database (NLRD) performance chart. This was a great achievement because it showed that skills development providers were confident in working on the system and could apply the skills after attending the training on use of the system.

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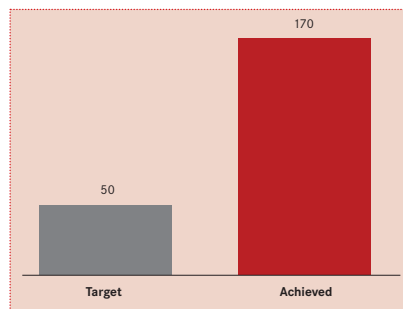
## Main Achievements at a Glance

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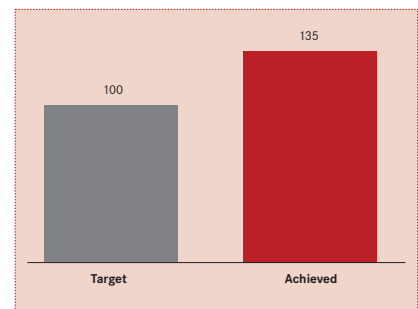
### Assessors Registered



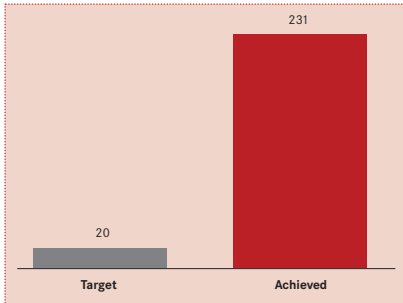
### Evaluation of Learning Materials for Accreditation of Training Providers



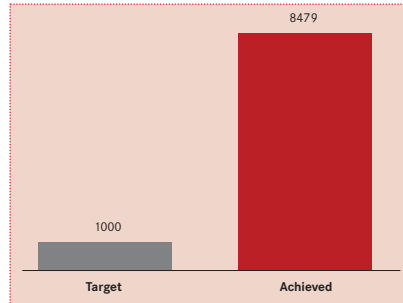
### Capacity Building of Training Providers



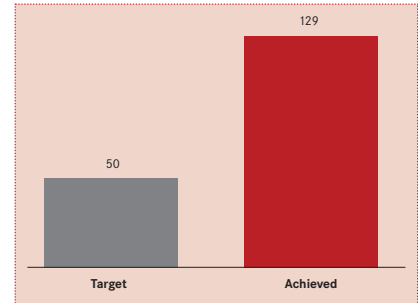
### Moderators Registered



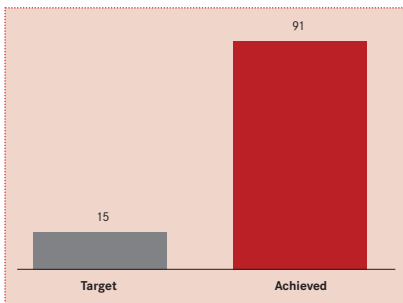
### Learner Certificates Endorsed



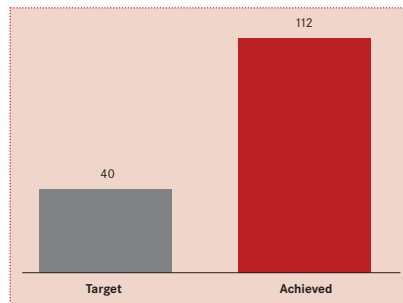
### Accreditation of Training Providers



### Evaluation of Skills Programmes for Registration



### Verification Site Visits



## QCTO Audit Results

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The ETQA received an excellent audit report from QCTO. This report reflects the diligence and readiness of the division to embrace the delegated function of both Assessment Quality Partner (AQP) and Development Quality (DQP) which will ensure the continued existence of the ETQA division.

## New Qualification Development

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Community Health Work is a new qualification developed in the period under review. It was submitted to QCTO for registration by SAQA and the outcome of this registration is anxiously awaited.

The HWSETA Board approved the request for the HWSETA to fulfil the role of Assessment Quality Partner (AQP) as there was no professional body that was ready to accept this responsibility.

The AQP faces the mammoth task of implementing the new accreditation and external assessment requirements.

Furthermore, development on a Social Auxiliary Work qualification started during the period under review and will be concluded in the next financial year. A new sub-division was created to deal with the conversion of legacy qualifications and the development of new ones. The job profiles of Officers to be appointed to support this sub-division have been finalised and these positions were advertised. The subdivision will be adequately capacitated to meet the targets set out for the next financial year.

## Challenges

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For the period under review, five occupational qualifications were planned but only two were developed due to the moratorium instituted by the QCTO. The HWSETA will commence with development of qualifications from 1 October 2014 when the moratorium is lifted.

## Conclusion

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Heartfelt gratitude is directed to the HWSETA Board, its committees and the stakeholders who painstakingly made themselves available to assist with the development of occupational qualifications for the sector. Your contribution is acknowledged and appreciated.

To the ETQA staff, thank you for making this possible. Your sacrifice and unselfishness in ensuring that fellow colleagues understand the quality function is phenomenal. Let us move forward together to improve the much needed service delivery for the sector and South African citizens at large.

Jane Motubatse  
Executive Manager: ETQA

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**The HWSETA's communication and outreach activities brings the organisation in contact with a diverse stakeholder base.**

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## Career Guidance Remains a Key Focus

During the period under review, the HWSETA participated in 34 career guidance events across all provinces in urban, as well as rural communities.





## Research Information Monitoring and Evaluation (RIME)

Sikhumbuzo Gcabashe  
Executive Manager: RIME

The Research Information Monitoring and Evaluation (RIME) division plays a pivotal role in managing knowledge generation, as well as packaging and presenting it in a way that influences policy and projects in the HWSETA.

The division is also charged with the responsibility to monitor and evaluate implemented skills development projects and programmes and find causal links to positive impacts of these skills development projects. In a nutshell the RIME division:

- commissions and internally conducts sector specific research on areas to enrich the existing body of knowledge on skills development practices
- track and report on progress made by learners on learning programmes, their perceptions of the programme as they experience it and problems encountered. With this information, RIME makes judgments whether the desired impact will be made
- monitors and reports on the training activities of constituent training providers in relation to quality provision, objectives of the training programme and transfer of knowledge to learners
- monitors the usage of training (skills development) grants given to employers

During the 2013/2014 financial year the RIME division updated the Sector Skills Plan (SSP), a key strategic document of the HWSETA. The SSP gave direction to new areas of skills development that the authority needs to consider for development and funding. The strategic plan and the annual performance plan for the ensuing year were reviewed extensively to reflect these new areas.

The RIME division also completed a number of ongoing and new initiatives, and assisted the Board in engaging vigorously with stakeholders allowing them to influence the skills development direction of the authority more effectively. Key achievements in the reporting period are outlined below.

### Funding of Masters and Doctoral Students Linked to Research Strategy and Research Agenda

The division commenced with the implementation of the HWSETA research agenda by seeking approval for the awarding of bursaries to students doing Masters and Doctoral studies. One of the criteria for approval was that the area of research be reflected in the research agenda of the HWSETA. To this end, 47 students were approved for funding from various universities most of whom are at Masters level. Whilst some of the research topics were of a clinical nature some were linked to our broad focus areas:

1. Demand and supply of mid level skills and development of support strategies
2. Education and training leadership and management research
3. The professional development of trainers/lecturers and other training professionals to drive effective skills development in the sector
4. Sectoral skills development policy research

Funded research students were from the Universities of South Africa, Fort Hare, Free State, Kwazulu Natal, Limpopo, Zululand, Cape Town, and Witwatersrand.

### Research into the Skills Needs and Strategies of the NPO and NGO Sector

In order to better understand the skills needs of this important sector in the service delivery continuum, the HWSETA commenced with a research study specifically for the NGO/NPO sector. The purpose of the study is to identify the skills needs and gaps in non profit making organisations operating in the health and social development sectors. In addition, the study will also place due focus on analysing perceived strategies to address identified skills needs and gaps in this sector. The study will be finalised in the second quarter of the 2014/15 financial year.

## Study to Track the Occupational Development of Thogomelo Learners

The HWSETA has partnered with Program for Appropriate Technology in Health (PATH) and its consortium partners Health and Development Africa (HDA) and the International HIV/AIDS Alliance (IHAA) to conduct a track and trace study of learners trained under the Thogomelo project skills programmes. These skills programmes are accredited by the HWSETA. The objectives of the study are to:

- verify how many Thogomelo learners currently registered on the HWSETA database have been assessed and deemed competent

- identify from the HWSETA database the learners who have accumulated additional credits towards a qualification above those earned from the Thogomelo training and in which learning areas
- identify from the HWSETA database the learners who have not accumulated additional credits after the Thogomelo training
- establish the enablers and hindrances related to undertaking further training towards a recognised qualification after the Thogomelo training, from the perspectives of the Thogomelo learners themselves by conducting focus group discussions

The study began in the year under review and will be completed in the third quarter of the next financial year.

## Sector Skills Plan Annual Update

Updating the sector skills plan is an important feature in the calendar of the division. This research document influences the skills development initiatives of the HWSETA and is an annexure to the strategic plan and the annual performance plan. Through interaction with stakeholders and analysis of documents the following skills, amongst others, were identified as the top 10 skills needed in the sector:

Occupation Code	Occupation	Total Number required	Comments
263507	Social Worker	6 203	Relative scarcity due to replacement demand and geographic location
222112	Registered Nurse (Surgical)	3 756	Relative scarcity due to the geographic location and career opportunities abroad
222101	Clinical Nurse Practitioner	2 126	Absolute scarcity due to growth/expansion and employment equity
221101	General Medical Practitioner	1 996	Relative scarcity due to the geographic location
222108	Registered Nurse (Medical and Surgical)	1 167	Relative scarcity due to the geographic location
226201	Hospital Pharmacist	1 144	Relative scarcity due to the geographic location
322101	Enrolled Nurse	992	Relative scarcity due to replacement demand and insufficient training facilities
134402	Community Development Manager	812	Relative scarcity due to the geographic location
222105	Registered Nurse (Critical Care and Emergency)	809	Shortage of skilled critical care nurses and career opportunities abroad
222111	Registered Nurse (Preoperative)	765	Skills shortage and career opportunities abroad

The figures reflected above are for a one-year period. The following critical skills were emphasised:

- Promotion and preventative care in a community setting;
- Basic health promotion, nutrition and dealing with substance abuse;
- Comprehensive training with “day one skills”

The NGO sector is in need of skills relating to leaderships and general management, operations and service delivery and fund raising skills.

## Impact Assessment of HWSETA Skills Development Initiatives

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In the current National Skills Development Strategy 'impact of training' is an issue that has taken centre stage. The HWSETA looked back in order to look forward by assessing the impact it has made and is making in the sector. A study was commissioned which assessed the impact using the following criteria, inter.alia:

- Effectiveness
- Relevance
- Efficiency
- Sustainability
- Appropriateness of design
- Replicability

For purposes of reporting and enhancing understanding, five reports were produced, namely:

1. Employment and learning pathways of learnership participants in the Health and Welfare sector;
2. Impact of Skills Programmes and short courses: A case of the Health and Welfare sector
3. Evaluation of the Return on Investment (ROI): A review of skills development strategies of the HWSETA
4. Evaluation of strategic grants and their contribution to skills development: A case study of the HWSETA
5. Evaluation of the socio-economic impact of skills levies grant institutions in the health and welfare sector

Overall, the performance of the HWSETA was found to be making the desired positive impact in the lives of participants and participating employers. There are areas of improvement especially those relating to the design and coordination of skills development projects.

## Partnerships with Universities, TVET Colleges and Employers

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In line with NSDS Goal 4.3, the HWSETA is collaborating with employers, public education institutions, TVET Colleges, Universities and Universities of Technology, private training providers, and other SETAs. Partnerships with Universities and TVET Colleges featured prominently in the year under review. The following partnerships were concluded:

- Durban University of Technology
- University of Free State
- Walter Sisulu University
- Northern Cape Urban TVET College
- Taletso TVET College
- King Hintsa TVET College
- Nelson Mandela University
- Health Faculty of the Durban University of Technology

Through the partnership with King Hintsa TVET College, the College received an extension of scope to offer the Social Auxiliary Qualification. This qualification has predominately been offered by private training providers and is now offered by a public TVET College.

Partnerships with the following institutions are underway and will be pursued in the next reporting period:

- University of KwaZulu-Natal
- Umgungundlovu TVET College
- Ehlanzeni TVET College

The partnerships that have been detailed are linked to the promotion of the growth of public TVET Colleges and universities to be responsive to the national skills needs and those of the health and social development sector. Furthermore, the partnerships encourage workplace based learning.

## Development of Indicators for Education and Training

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During the year under review, 21 core indicators linked to key result areas in the HWSETA were developed. These measurable indicators drive the strategy and annual performance plan for the next performance and reporting periods. Sub-indicators were also developed that measure the success, or lack thereof, of the skills development projects that the HWSETA is rolling out. Some of these indicators relate directly to the quality of training being offered by the education and training providers in the sector. This will assist in effective monitoring and evaluation of the quality of training mid stream and conduct post facto impact studies.

## The Year Ahead

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Resolution to constraints experienced during the year such as the funding of research students in some universities will be cleared and alternative ways of funding them through the National Research Foundation will be explored. The next financial year will be dedicated predominantly to the monitoring and evaluation of projects and training providers as the HWSETA is expanding its provision of skills development.

Research projects underway in the NGO sector will be completed and the information gathered will flow into the sector skills plan. More engagement with the provincial Departments of Health and Social Development will be conducted to ensure that regional and provincial dynamics are not missed in our research efforts.

Sikhumbuzo Gcabashe  
Executive Manager: RIME

## King Hintsa TVET College Partnership Launch

On 21 March 2014 King Hintsa TVET College's Teko Campus in Butterworth, Eastern Cape hosted the official launch of the partnership between the HWSETA and King Hintsa TVET College.



The Deputy Minister of Higher Education, Mr Mduzu Manana, who attended the event is seen here with Mr Jomo Jacobs, College Administrator and Ms Yvonne Mbane, CEO for the HWSETA



## HWSETA Joins Forces with SSACI to Develop Artisans

In the year under review the HWSETA approved a strategy for 300 learners to be trained on the accelerated artisan programme in partnership with the Swiss-South African Cooperation Initiative (SSACI). By the end of the year under review 82 learners had been placed as electrical, millwright, as well as air conditioning and refrigeration artisans.





## Corporate Services

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**Bob Pardesi**  
Executive Manager:  
Corporate Services

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A work environment that is conducive to staff performance and ultimately service delivery is key to the success of any organisation. The HWSETA's Corporate Services Division is responsible for this important activity within the organisation and provides support services to all divisions.

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Whilst the Corporate Services Division's overall responsibility is the development and implementation of the HWSETA's corporate strategy, policies and procedures, as well as the development and maintenance of systems, more specifically, the division seeks to:

- Ensure that all corporate policies and practices are aligned to the objectives and mandate of the HWSETA
- Facilitate and expedite delivery of all HR activities
- Ensure the provision of suitable office space at both national and provincial levels
- Promote effective communication with all relevant stakeholders
- Provide information technology to enable the HWSETA to deliver on its mandate
- Facilitate the development of a record management system

Ensuring adequate capacity in the form of skills and human assets, as well as capability in the form of systems, procedures and policies underpins all the activities of the Corporate Services Division.

### National Coverage

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During the period under review, the HWSETA sought to improve service delivery to its numerous and varied stakeholders. In line with this, the Eastern Cape, Western Cape, Limpopo and Kwa-Zulu Natal provincial offices were moved to more suitable office accommodation. In March 2014, permission was granted by the HWSETA Board for the Gauteng office to move to Midrand. In addition, each provincial office has been equipped with the necessary HR skills and expertise to bring service delivery closer to customers in these provinces.

In response to the call of the Ministry of Higher Education and Training that SETAs collaborate with TVET Colleges in communities, the HWSETA established a satellite office at the Northern Cape Urban TVET College in Kimberley in July 2013 and in March 2014 a satellite office was opened at the King Hintsa TVET College in Butterworth, Eastern Cape.

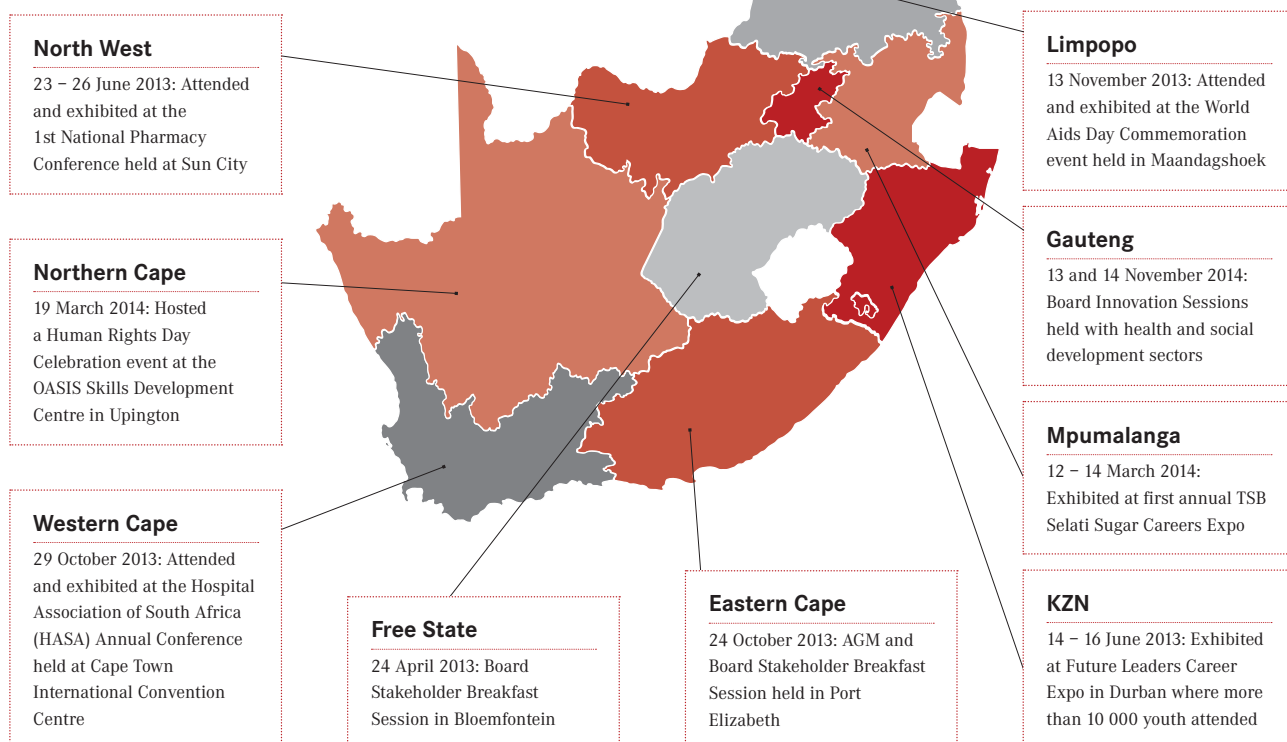
### Marketing and Communication

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The Marketing and Communications Department ensures that activities and operations of the HWSETA reaches a wide spectrum of the population. Through various marketing and communication strategies, the HWSETA was able to reach its large stakeholder base. The HWSETA successfully participated in:

- 34 career exhibitions across all provinces with a strong focus on rural and presidential nodal areas. The career guidance target of reaching 10 000 learners was exceeded by reaching 11 222 learners
- Six conferences and workshops
- Successful board stakeholder sessions in Nelspruit, Rustenburg, Bloemfontein and Port Elizabeth. These sessions provided HWSETA board members an opportunity to engage with stakeholders
- Two innovation sessions held with representatives from the health and social development sectors respectively that focused on the training and capacity building needs of these sectors
- South African commemorative days and events. These included Mandela Day, Women's Day, Heritage Day, Youth Day, Disability Day and Human Rights Day
- The AGM held in Port Elizabeth on 24 October 2013

## Some Event Highlights



## Marketing Material

Publications, newsletters and career guidance information are key communication tools for the HWSETA. These are produced as required and distributed accordingly.

The 2012/2013 Annual Report, Annual Performance Plan and Sector Skills Plan Update were produced by the marketing department and each of these documents was tabled in Parliament by the requisite deadline date.

New promotional banners were produced for use at events and each regional office has received a set of the banners. Promotional items that communicate the HWSETA brand to its various stakeholders were produced and distributed at a variety of events. A monthly online newsletter was sent to the HWSETA's e-mail database and a quarterly newsletter was produced and posted to the HWSETA website.

## HR Management

82.14% of approved posts are filled. Critical positions were prioritised taking into consideration operational requirements and limitations such as skills and budget. The employment equity profile of staff is 84% black, 71.68% female and 4.48% disabled. The labour turnover rate is 6.72%.

Remuneration is based on a cost to company approach and is informed by the market and job grade.

### Key Statistics for Period Under Review

Activity	Statistic
Disciplinarys	13
Dismissals	2
Demotions	0
Resignations	4
Staff in an acting position	3

All staff in the organisation underwent training. A total of R516 000 was spent on training in during the period under review.

## HWSETA Equity Report - 31 March 2014

Position	African			Coloured			Indian			White		
	M	F	D	M	F	D	M	F	D	M	F	D
CEO		1										
Legal Advisor		1										
Executive Managers	1	1					2				1	
Managers	2	7			1		1	2		1	3	
Accountant	1											
SDTA												
Board Administrator											1	
Researchers	1	1										
Co-ordinators	1											
Officers	6	14	1		1			2			2	
Evaluator	1											
Secretaries		3						1			1	
Administrators	6	16	1	3	3	1		1	1			
Payroll Administrator												
Receptionist	1	1										
Driver	1											
<b>TOTAL</b>	<b>21</b>	<b>45</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>0</b>
Total Staff Complement as of 31 March 2014												92

### Information Technology

In this day and age of technology, IT is an integral part of any organisation's business practices. The HWSETA is committed to ensuring that we keep abreast of the changes and technology available in order to improve service delivery.

After discussions, deliberations and presentations of various IT options following the recommendations of the BA, the Board approved a pilot project for an Open ERP system. The purpose of this was to gauge the applicability and suitability of implementing an Open ERP system.

Phase 1 of the project has been completed and phase 2 has commenced. This phase will commence with the appointment of a service provider to develop and implement an Open ERP solution- Open Architecture system with co-sourcing of customisation. It is envisaged that the IT system will provide a seamless service to internal and external stakeholders and service providers.

IT security remains of paramount importance and steps have been implemented to improve and protect data and information. To this end the IT department performs a vigilant monitoring role over the HWSETA IT infrastructure under the capable leadership of the newly appointed IT Manager.

Bob Padesi  
Executive Manager: Corporate Services







# Report of the Finance Division

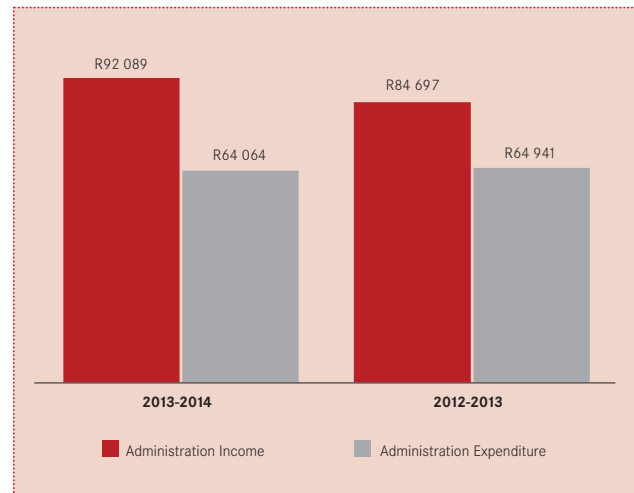
## for the year ended 31 March 2014

Elaine Brass  
Chief Financial Officer

The HWSETA has performed exceptionally well in the 2013/14 financial year under new legislation, the new Grant Regulations and the Cabinet Circular on Government levies. The HWSETA has maintained a sound internal control environment, good governance, and compliance and risk management. This is evident as the entity has achieved an unqualified audit report since 2007/08 (seven consecutive years).

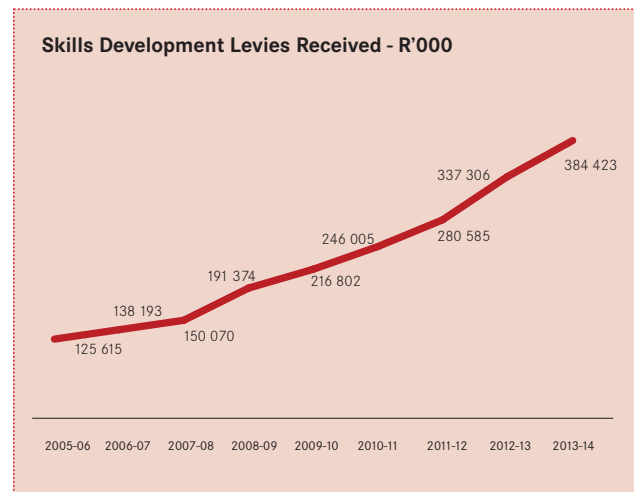
### Administration Income and Expenditure

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



### Income

Skills development revenue (excluding government revenue) increased by 8%, (20% - 2013) from last year. This is mainly attributable to general increases in salaries in the sectors. Skills development income was 1% lower than budget for the 2014 financial year.



### Government levy income

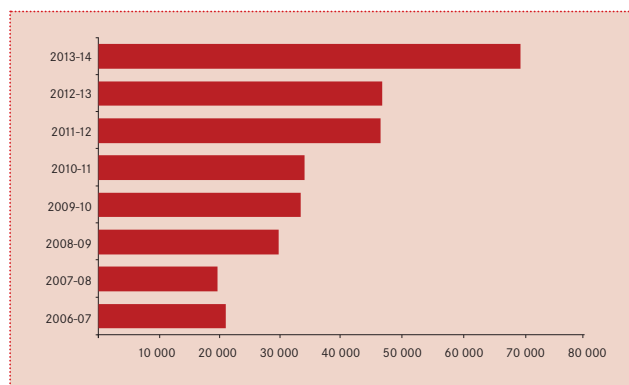
Not all the Departments have complied with this Cabinet Memorandum in the financial year under review. The HWSETA is confident that 2014/15 will result in all Departments complying as this memorandum is now well understood and all Departments should have now budgeted fully for this provision.

	Administration 10% R'000	Discretionary 20% R'000	Expected collection R'000	Actual collection R'000	Provision R'000	Reference to Financial Statements Notes:
Government Departments	R53 185	R18 867	R187 646	R72 052	none	3 and 25

The HWSETA collected R53 million (2013-R48.3 million) in administrative government levies (10% contribution) which was more than what was budgeted for. This continued support of the government departments assists the HWSETA to defray administrative expenditure and offer a better service to the sector.

The Government Departments have not complied with the Cabinet Circular in 2013/14. The Departments have essentially contributed only the 10%. In accordance with GRAP 23, due to the remote probability of collecting the outstanding amounts, the revenue due has not been raised, only the revenue received has been raised. In 2014-2015, the National Treasury and DPSA will ensure compliance as the transfers of these levies will be done through the Treasuries.

#### Levy Contributions by Government Departments

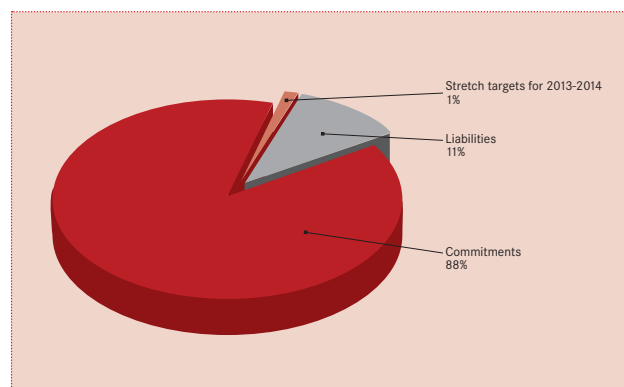


#### Interest Income and Cash Reserves

The HWSETA earned interest income of R28 million in 2014, which is high as a result of large cash reserves held during the year. Of the discretionary reserves of R719 million, R633 million has been committed for discretionary skills development projects. The balance of the uncommitted cash is for the payment of liabilities and future skills development projects.

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 is utilised for discretionary grant funding only.

#### Utilisation of Cash Reserves



#### Expenditure

The 2013/14 financial results show a 38% increase in the overall surplus for the year from last year, R147 million (2013: R106 million). This surplus of R147 million comprises administration surplus of R28 million, mandatory grant surplus of R34 million and discretionary surpluses of R84 million. The surpluses are derived mainly from:

- New Grant Regulations effective 1 April 2013 – Discretionary income allocation is now 49.5% of total levy income compared to 20% of the prior period. This has resulted in the HWSETA focusing extensively on commitments, and the moving of discretionary grant funding. The funds available for discretionary grant finding in 2013/14 was R228 million compared to R101 million in 2012/13. The HWSETA ended the year committing 88% of its Discretionary grant reserves. The HWSETA has also contributed to the TVET Infrastructure project of Government to the amount of R33.3 million.
- Cost containment measures and the slow movement in filling our approved organogram has resulted in a surplus on administration of R28 million compared to R21 million in 2012/13.
- The HWSETA was not able to secure an ERP system in 2013/14, resulting in the CAPEX budget being underspent amounting to R2.4 million.

The HWSETA's administration expenditure for the 2013/14 financial year was 27% lower than budget, resulting in a surplus from administration of R28 million. This Administration expenditure of R64 million was just lower than the prior year, R65 million. Administration costs were kept low through cost effective spending and strict budgetary controls.

The HWSETA completed its OD exercise and the new delivery model was implemented during the year. This resulted in significant ETQA work being decentralised to the Provinces. This affected costs, and savings resulted.

The HWSETA's Board also approved an enhanced organogram to ensure service delivery especially in the light of the new grant regulations and the delivery model. This translated into an increased budget to accommodate increased personnel costs and related personnel expenditure. However, the organogram was not completely filled, and the HWSETA managed to fill 82% of the positions by year end. This resulted in significant underspending on personnel costs and related costs.

Of the total expenditure, R202 million was spent as grant disbursements, R58 million on Mandatory grant payments (2013- R123 million) and R144 million for discretionary projects (2013- R67 million).

### De-commitments

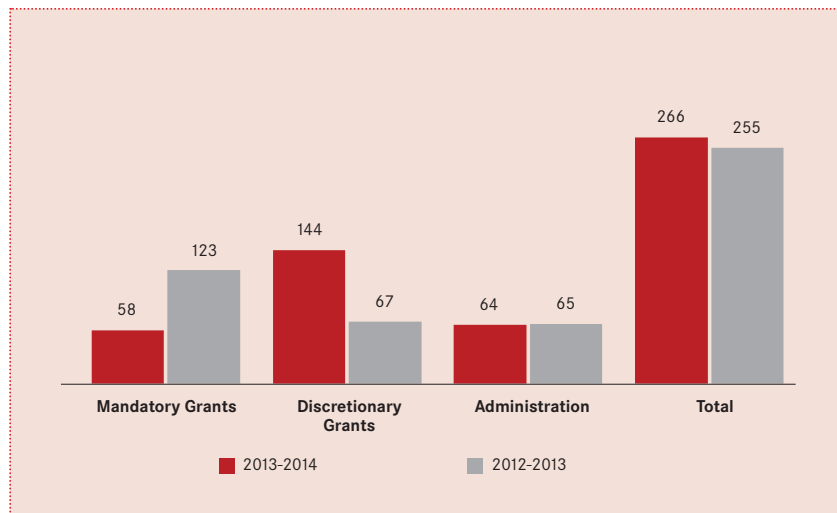
In the current financial year under review, there were some de-commitments to discretionary grant funding. This was mainly due to employers not taking up the allocated funding to them, or an under-subscription to our Expression of Interest. All funding awarded to employers is conditional that the learners 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.

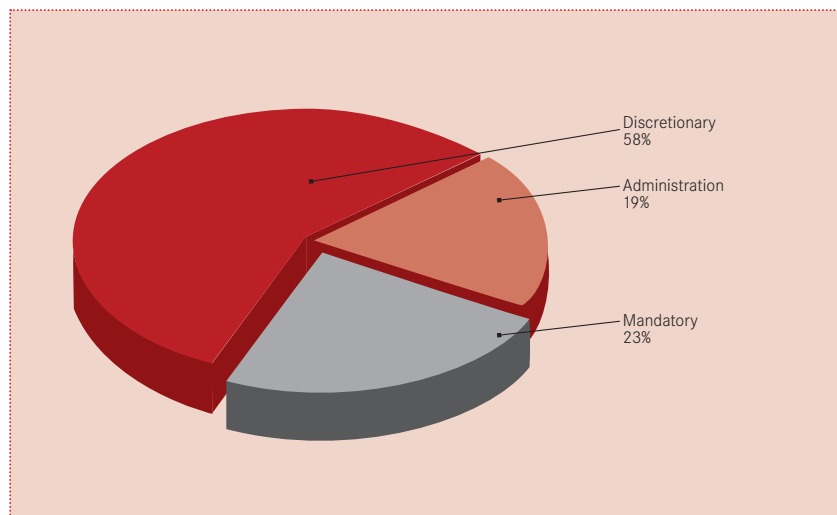
### Accumulated Reserves and Bank Balances

The HWSETA had discretionary reserves of R719 million (2013- R573 million) as at 31 March 2014, of which R633 million (2013-R278 million), or 88%, has been committed to the funding of discretionary projects at year-end. The HWSETA had a cash bank balance of R781 million at 31 March 2014.

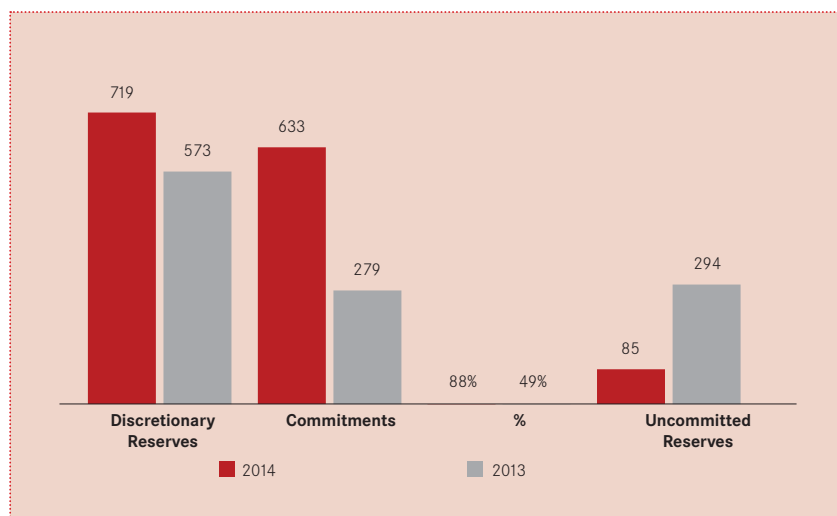
### Expenditure, R Million



### Surplus for the year



### Accumulated Reserves and Bank Balances



## Financial Policies

All HWSETA policies and procedures are designed and approved to be in line with Generally Recognised Accounting Practice (GRAP), IPSAS and IFRS, the PFMA and Treasury Regulations. Finance policies are annually reviewed for relevance, changes in legislation and changes in statements of GRAP. The following policies had significant changes effected due to change in legislation:

- Travel and Accommodation policy due to the Cost Containment Regulation of 2014 of National Treasury
- Procurement of consultants

## Financial Management

In the execution of its annual business plan the HWSETA remained 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 it is headed by the Supply Chain Manager. The division operates in line with the Supply Chain Management Framework, Treasury Regulations and HWSETA policies, to ensure fair, equitable, transparent, competitive and cost effective procurement of goods and services.

During the 2013/14 financial year the HWSETA awarded tenders for procurement of the following goods and services:

- SDF Training for Union members
- Open Source ERP Tender – which was not awarded during the period under review due to the lack of effective competition

## Conclusion

The Finance staff remain committed to service delivery and accurate financial reporting. A sincere thank you to them as well as the divisions we are reliant on. Only as one dedicated team can we achieve.

Elaine Brass  
Chief Financial Officer

## DHET and HWSETA Join Forces to Mobilise Physically Disabled Young Man

During the period under review, the DHET and HWSETA joined forces and donated a wheelchair to 30-year old Alfred Bhengu from Umbumbulu in Kwa-Zulu Natal. The Deputy Minister of Higher Education and Training, Mr Mduzuza Manana, and the Chief Executive Officer for the HWSETA, Ms Yvonne Mbane, were in attendance at the handover function held at the young man's home on 8 November 2013.



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“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. 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 in relation to the mandate of the HWSETA.”

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*Accounting Authority Report*



## Section 4

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# Financial Information

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Report of the HWSETA Audit Committee

Report of the Auditor-General

Report by the Accounting Authority

Annual Financial Statements

Notes to the Annual Financial Statements

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# Report of the HWSETA Audit Committee

for the year ended 31 March 2014

**Mr R Adam**  
Chairman of the Audit  
and Risk Committee

We are pleased to  
present our report for  
the financial year ended  
31 March 2014.

## Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and is required to meet 4 times per annum as per its approved terms of reference. During the current year 5 meetings, including special meetings and workshops, were held. The total of 5 meetings included 3 meetings held by the newly constituted audit committee effective 1 September 2013.

## Audit, Risk and Governance Committee

Members	Number of Aucom, and related meetings attended
<b>Members</b>	<b>5</b>
Mr Rayhaan Adam, Independent Chairman effective 1 September 2013	3
Mr Viren Magan Independent Chairman, tenure ended 31 July 2013	2
Mr Viren Magan Independent member effective 1 September 2013	3
Mr Nick Nicholls, Independent member, tenure ended 31 July 2013	2
Mr Zola Fihlani, Independent member, tenure ended 31 July 2013	0
Mr Sipehelele Madikizela Independent member effective 1 September 2013	3
Mr Pat Motubatse Board member	2
Mr Derek Shardlow Board member	1

## Audit Committee 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.

## Risk management and the effectiveness of internal control

The system of internal control applied by the Health and Welfare SETA over financial and risk management is effective, efficient and transparent.

In line with the PFMA and the Treasury Regulations, Internal Audit provides the Audit 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 the HWSETA for the year ending 31 March 2014. Consequently, Internal Audit used this data to prepare the three- year rolling strategic plan and the annual operating audit plan for 2014.

The Committee monitored the significant risks faced by Health and Welfare SETA and is satisfied that these risks were managed to an acceptable level. The HWSETA implemented a risk management strategy that 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 HWSETA audits. We believe the Internal Audit has contributed to the improvement of internal controls within the HWSETA.

#### **Corporate Governance**

We are of the opinion that the HWSETA continues to strive towards applying sound principles of corporate governance. 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 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 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 Committee expresses its sincere appreciation to the Accounting Authority, Accounting 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.



Mr R Adam  
Chairman of the Audit and Risk Committee  
30 July 2014

# Report of the Auditor-General to Parliament on the HWSETA

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## Report on the Financial Statements

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### Introduction

1. I have audited the financial statements of the Health and Welfare Sector Education and Training Authority (HWSETA) set out on pages 74 to 110 which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, the statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as 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 Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of 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 Standards 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 as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA and SDA.

## Report on Other Legal and Regulatory Requirements

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7. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2014:

- Programme 4: Skills development programme and projects implementation on pages 32 to 36,
- Programme 5: Education and training quality assurance on pages 36 to 40.

- 
9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

#### **Additional matter**

13. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

#### **Achievement of planned targets**

14. Refer to the annual performance report on pages 22 to 41 for information on the achievement of planned targets for the year.

#### **Adjustment of material misstatements**

15. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information as there were material differences between the reported achievements for the targets and the listings supporting the reported achievements for both programmes selected for auditing. As management subsequently corrected the misstatements we did not report any material findings on the reliability of the reported performance information.
16. I identified material misstatements in the annual performance report submitted for auditing as 100% of reported objectives and 100% of reported indicators for the above selected programmes were not consistent with the objectives and indicators as per the approved strategic and annual performance plan. There were also no reasons for major variances between planned and actual reported targets included. This is due to the fact that the entity submitted a summarised version of the annual performance report on 31 May 2014 that did not include objectives, indicators and reasons for variances per target. As Management subsequently corrected the misstatements, we did not report

any material findings on the usefulness of the reported performance information.

#### **Compliance with legislation**

17. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

#### **Internal control**

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

## **Other Reports**

#### **Investigations**

19. An investigation was conducted by the internal audit unit on request of the entity. The investigation was initiated based following an allegation of a possible conflict of interest by an employee in the awarding of quotations. The investigation resulted in disciplinary action being taken against the employee.
20. Another investigation was also conducted by the internal audit function following an allegation of possible misappropriation of assets by employees of the entity through submission of fictitious travel and subsistence claims. The investigation resulted in recommendations for improvement of internal controls. This was followed by management's own internal investigation on an allegation of insubordination and false travel claims. The investigation resulted in the dismissal of one of the entity's employees.

*Auditor-General*

Pretoria  
30 July 2014





Nozipho January- Bardill  
Chairperson of the Board

# Accounting Authority Report

for the year ended 31 March 2014

## Report by Accounting Authority to the Executive Authority and Parliament of the Republic of South Africa



Ms Yvonne Mbane  
Chief Executive Officer

### General review of the state of affairs

#### Going concern

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

#### HWSETA Constitution

The HWSETA's current Constitution was effective 1 April 2011 in line with the appointment of the new Board. The current Board is in its 3rd year of office, which will come to an end on 31 March 2016.

#### Reliance on Government Levy Income

On 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 year under review, the HWSETA collected Government Levies as follows:

	Administration 10%	Discretionary 20%	Expected collection	Actual collection	Provision	Reference to Financial Statements
	R'000	R'000	R'000	R'000	R'000	Notes:
Government Departments	R53 185	R18 867	R187 646	R72 052	none	3 and 25

The Government Departments have not complied with the Cabinet Circular in 2013-2014. The Departments have essentially contributed only the 10%. In accordance with GRAP 23, due to the remote probability of collecting the outstanding amounts, the revenue due has not been raised, only the revenue received has been raised. In 2014-2015, the National Treasury and DPSA will ensure compliance as the transfers of these levies will be done through the Treasuries.

### Other sources of revenue

Sources of revenue	Estimate	Actual collection	(Over)/under collection	Commentary
	R'000	R'000	R'000	
Skills development revenue	R314 589	R312 371	R2 220	1% below expected
Investment Income – interest	R23 726	R27 922	(R3 751)	Higher than expected due to large cash balances held. HWSETA has improved significantly in moving cash and will continue to do so in 2014-2015
Government levies	R187 645	R72 054	R115 593	See above

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## Administration Income and expenditure

Description	2013/14	2012/13	Variance	Variance (%)
Administration Revenue	R38.904 mil	R36.336 mil	R2.568 mil	7%
Government Levies actually received – 10% portion	R53.185 mil	R48.361 mil	R4.824 mil	10%
Administration Expenditure	R64.064 mil	R64.941 mil	(R0.877 mil)	-1%

## Corporate Governance and Internal Control

### Audit, Risk, Governance, IT and Remuneration Committee

The Audit and Risk Committee is established and comprises 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 HWSETA's constitution, the PFMA and Treasury Regulations. This Committee also takes 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

See note 30 to the Annual Financial Statements for payments made to the HWSETA Board members as well as senior management salaries.

	2013/14	2012/13
Board allowances and travel and subsistence.	R1.449 mil	R1.209 mil
Audit Committee	R159 415	R150 601
Senior Management of HWSETA	R5.8 mil	R5.3 mil

### Forensic Audit

During the financial year, two forensic audits were undertaken. Currently, there are disciplinary hearings taking place relating to the IT Forensic audit. This process is not as yet completed. There was no direct financial loss to the HWSETA, except for sabotage to our Microsoft Exchange Server, and e-mail data.

The HWSETA has a fraud prevention plan in place which has been implemented. As one mechanism, the HWSETA has an anonymous tip-offs hot line which is widely advertised, and is included on our website. The HWSETA investigates all tip-offs made without exception. Tip-offs from our hot line are given directly to our internal auditors who then report to the appropriate authority for investigation.

## Allegations of misconduct

There have been charges of misconduct by some staff members of the HWSETA during the year. In terms of the disciplinary policy appropriate actions were taken, and some employees were dismissed.

## Policies

All HWSETA policies and procedures are designed and approved to be in line with relevant legislation. Finance policies are annually reviewed for relevance and changes in legislation. The following policies had changes effected due to change in legislation or best practice:

- Travel and Accommodation policy due to the Cost Containment Regulation of 2014 of National Treasury
- Procurement of consultants
- HR policies
- IT policies

ETQA policies are currently being reviewed.

## 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. 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 in relation to the mandate of the HWSETA.

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 Framework, 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.

If any conflict arises, the affected employee will immediately refrain from participation in any supply chain management process or decision making process.

## 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 (ETQA), Skills Development and Planning (SDP), Governance and Human Resources divisions (CS), and Research, Information, Monitoring and Evaluation (RIME) divisions.

## Risk Management

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 threats to financial interests of the state as well as its achievement of objectives are timely identified and addressed.

There exists an adequate system of internal control to mitigate the significant risks faced by the HWSETA to an acceptable level

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, which has translated into increased performance of the HWSETA during the year.

There is an ongoing process for the identification, evaluation and management of all significant risks faced by the HWSETA. This is performed through regular risk assessments, including an annual risk assessment. All identified significant risks are addressed by the formulation and implementation of mitigating controls. A Risk Management Committee is in place and meets every quarter to ensure mitigation of risk remains a focus, as well as to ensure that risks are kept at an acceptable level.

The HWSETA has a risk management policy and strategy in place.

The Audit Committee advises the HWSETA on risk management and independently monitors the effectiveness of the system of risk management.

### **Risk Assessment and Risks**

The HWSETA performed its risk assessment for the 2014/15 financial year and 2013/14 financial year on 28 February 2014 and 3 March 2013 respectively.

The top 22 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. In general the HWSETA was able to manage its risks and reduced residual risk to an acceptable level. There is however still focus on certain risks that need to be managed monthly.

There were no unusual risks identified.

### **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 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 was for the review and settling aside of the Minister of Higher Education and Training's decision to appoint the HWSETA Board and approve the HWSETA constitution.

Subsequent to year-end, this case has been awarded to the plaintiffs against the Minister. The DHET have indicated that any costs will be borne by the DHET and not the HWSETA. The implications of this verdict on the HWSETA are unknown at this stage. The Minister is appealing the decision.

### **Approval**

The Annual Financial Statements for the year ended 31 March 2014 set out on page 74 to 110 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 2014 and signed on their behalf by:



Ms Nozipho January- Bardill  
Chairperson of the Board



Ms Yvonne Mbane  
Chief Executive Officer

# Statement of Financial Performance

for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
<b>REVENUE</b>			
Non - Exchange Revenue	3	384 423	337 306
Skills Development Levy: income		381 440	333 431
Skills Development Levy: penalties and interest		2 983	3 875
Exchange Revenue		28 426	23 952
Interest income	4	27 922	22 468
Other income	5	504	1 484
<b>Total revenue</b>		<b>412 849</b>	<b>361 258</b>
<b>EXPENSES</b>			
Total expenses		265 912	255 372
Employer grant and project expenses	6	201 848	190 431
Administration expenses	7	64 064	64 941
<b>Net surplus for the Period</b>	2	<b>146 937</b>	<b>105 886</b>



# Statement of Financial Position

as at 31 March 2014

		2013/14	2012/13
	Note	R'000	Restated R'000
<b>ASSETS</b>			
Current assets		795 624	629 815
Accounts receivable: Non-exchange transactions	10.1.1	9 981	1 934
Accounts receivable: Exchange transactions	10.2	3 236	2 627
Prepayments and advances	9	931	730
Inventories	12	451	400
Cash and cash equivalents	13	781 025	624 124
Non-current assets		5 162	4 837
Property, plant and equipment	8.1	4 884	4 481
Intangible assets	8.2	278	356
<b>TOTAL ASSETS</b>		<b>800 786</b>	<b>634 652</b>
<b>EQUITY AND LIABILITIES</b>			
Current liabilities		76 460	57 263
Grants and transfers payable - Non exchange transactions	14	68 585	45 382
Trade & other payables: exchange transactions	15	7 338	5 413
Levy Exempt Provision	16	375	5 604
NSF Funds received in Advance	18	1	1
Short term portion of smoothing	26	161	863
Funds and reserves		724 326	577 389
Administration reserve		5 162	4 837
Employer grant reserve		-	-
Discretionary reserve		719 164	572 552
<b>TOTAL NET FUNDS AND LIABILITIES</b>		<b>800 786</b>	<b>634 652</b>

# Statement of Change in Net Assets

for the year ended 31 March 2014

		Administration reserve	Employer grant reserve	Discretionary reserve	Unappropriated surplus	Total
	Note	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2012		4 832	43	466 628	-	471 503
Net surplus per Statement of Financial Performance					105 886	105 886
Transfer from Employer reserves			(55 091)	55 091		
Allocation of unappropriated surplus		21 240	55 048	29 598		105 886
Transfer to Discretionary reserves		(21 235)		21 235	(105 886)	-
<b>Balance at 31 March 2013</b>		<b>4 837</b>	<b>-</b>	<b>572 552</b>	<b>-</b>	<b>577 389</b>
Net surplus per Statement of Financial Performance	2				146 937	146 937
Allocation of unappropriated surplus		28 526	34 394	84 014	(146 937)	
Transfer from Employer reserves			(34 394)	34 394		
Transfer to Discretionary reserves		(28 204)		28 204		
<b>Balance at 31 March 2014</b>		<b>5 162</b>	<b>-</b>	<b>719 164</b>	<b>-</b>	<b>724 326</b>

# Cash Flow Statement

for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating activities			
Cash receipts from stakeholders		389 726	338 790
Levies, interest and penalties received		389 222	337 306
Other cash receipts from stakeholders		504	1 484
Cash paid to stakeholders, suppliers and employees		(259 176)	(214 395)
Grants and project payments		(195 899)	(146 929)
Compensation of employees		(34 501)	(31 835)
Payments to suppliers and other		(28 776)	(35 733)
Cash generated from operations	27	130 550	124 395
Interest income	4	27 922	22 468
<b>Net cash inflow from operating activities</b>		<b>158 472</b>	<b>146 863</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	8.1	(1 401)	(713)
Purchase of intangible assets	8.2	(170)	(193)
Disposal of property, plant and equipment		-	-
<b>Net cash (outflow) from investing activities</b>		<b>(1 571)</b>	<b>(906)</b>
<b>Net increase in cash and cash equivalents</b>		<b>156 901</b>	<b>145 957</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>624 124</b>	<b>478 167</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>781 025</b>	<b>624 124</b>

# Statement of Comparison Between Budget and Actual Expenditure

for the year ended 31 March 2014

	2013/14				2012/13	
	R'000	R'000	R'000	R'000	R'000	R'000
	Actual	Adjusted Budget	Variance	% Variance	Actual	Annual Budget
<b>Total Levy Income 80%</b>	<b>312 371</b>	<b>314 589</b>	<b>(2 218)</b>	<b>(1)</b>	<b>288 946</b>	<b>249 394</b>
Levy - Mandatory	92 241	78 397	13 844	18	178 242	155 118
Levy - Discretionary	178 243	194 034	(15 791)	(8)	70 492	62 083
Levy - Admin	38 904	41 158	(2 254)	(5)	36 337	31 193
Interest & Penalties	2 983	1 000	1 983	198	3 875	1 000
Total Income - Government Dept	72 052	51 069	20 983	41	48 360	43 000
Total Investment Income	27 922	23 726	4 196	18	22 468	15 000
	<b>412 345</b>	<b>389 384</b>	<b>22 961</b>	<b>6</b>	<b>359 774</b>	<b>307 394</b>
Insurance claim	-	-	-	-	-	-
SDL Grant refund	-	-	-	-	58	-
<b>Sundry income</b>	<b>504</b>	<b>-</b>	<b>504</b>		<b>1 426</b>	
<b>Admin Expenditure</b>	<b>64 064</b>	<b>88 227</b>	<b>(24 163)</b>	<b>(27)</b>	<b>64 941</b>	<b>71 693</b>
Accommodation & Travelling	4 861	7 329	(2 468)	(34)	6 240	7 000
Advertising & Promotions	1 485	1 854	(369)	(20)	1 465	1 749
Audit - External	1 699	2 017	(318)	(16)	1 731	1 903
Audit - Internal	1 360	1 650	(290)	(18)	1 661	1 250
Forensic and special investigations	256	-	256	100	-	-
Bank charges	56	85	(29)	(34)	41	80
Branding	316	200	116	58	44	250
Catering & Refreshments	291	258	33	13	231	130
Cleaning	330	400	(70)	(18)	330	190
Consulting Fees	257	280	(23)	(8)	474	266
Courier & Postage	208	400	(192)	(48)	341	133
Depreciation	1 234	1 500	(266)	(18)	903	1 377
Audit Committee costs	171	220	(49)	(22)	208	270
Governance Costs	1 443	1 872	(429)	(23)	1 773	1 300
Insurance Premiums	335	330	5	2	281	300
IT Systems	249	513	(264)	(51)	486	200
Lease charges	77	175	(98)	(56)	100	161
Legal fees	192	500	(308)	(62)	954	300
Memberships & Subscriptions	218	299	(81)	(27)	283	308
Motor Vehicle expenses	90	88	2	2	83	52
Office move	29	-	29	-	6	100
Printing & Stationery	1 573	1 852	(279)	(15)	1 754	1 466
Programme evaluations	639	1 000	(361)	(36)	911	800
QCTO	457	457	-	-	-	-
Research costs	92	999	(907)	100	-	-
Provision for bad debts	149	-	149	100	40	-
Recruitment costs	429	848	(419)	(49)	572	570
Rent Paid and storage	5 968	7 272	(1 304)	(18)	5 941	6 388
Repairs & Maintenance	208	305	(97)	(32)	110	277
Cost of employees	34 107	47 086	(12 979)	(28)	31 835	38 128
SDF Contractor Fees	-	164	(164)	(100)	-	150
Security	4	22	(18)	(82)	10	21
Software licences	1 242	1 250	(8)	(1)	1 109	1 028
Staff and Board Training and bursaries	752	1 702	(950)	(56)	694	750
Staff welfare and EAP	156	800	(644)	(81)	473	350
Telephone & fax	722	800	(78)	(10)	781	886
Inventory loss	-	-	-	-	21	-
Water & Electricity, rates and taxes	1 170	1 100	70	6	915	1 200
Workshops	1 239	2 600	(1 361)	(52)	2 140	2 360
Mandatory Grant	57 847	55 662	2 185	4	123 194	155 118
Project Expenditure - Discretionary Funds	144 001	241 495	(97 494)	(10)	67 237	77 083
<b>Total grants</b>	<b>201 848</b>	<b>297 157</b>	<b>(95 309)</b>		<b>190 431</b>	<b>232 201</b>
Surplus before capital expenditure	146 937	4 000	142 937		105 886	3 500
CAPEX	1 571	4 000	(2 429)	(61)	906	3 500
<b>Surplus</b>	<b>145 366</b>	<b>-</b>	<b>145 366</b>	<b>100%</b>	<b>104 980</b>	<b>-</b>

Explanations of material differences (variances greater than 10%, and more than R200 000) between budget and actual amounts are reflected in Note 31.

# Notes to the Annual Financial Statements

for the year ended 31 March 2014

## 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 25	Employee Benefits
GRAP 102	Intangible assets
GRAP 104	Financial instruments
IGRAP 1	Applying the probability test on the initial recognition of revenue

### New Accounting Pronouncements

There are no GRAP statements that have been approved, where the Minister of Finance has not yet determined an effective date for implementation.

### 1.2 Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity's 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 in 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 levy income**

In accordance with the Cabinet Circular of 2012, Government Departments pay 30% of their annual payroll budget to a SETA effective 01 April 2013. The 30% received by the HWSETA is utilised as follows:

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10%	Administration cost of the SETA
20%	Discretionary grants and projects

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### **1.3.4 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 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.

### **1.3.5 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.

### **1.3.6 Levy exempt income.**

Levy exempt income is monies received from employers who are exempt from paying SDL levies. As per the Skills Development Circular 09/2013, the HWSETA transfers all monies received from levy exempt employers to discretionary income after the expiry date of five years from date of receipt of the funds.

### **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 comprises:

- 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.

## 1.5 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 expense 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 has been approved.

### 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.

## 1.6 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.

## 1.7 Irregular, 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 incident is investigated, and where appropriate, recovered from the party/parties responsible.

## 1.8 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	16.66% - 33.33%
Motor Vehicles	12.5% - 20%
Office furniture and fittings	10% - 6.66%
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. 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.

### 1.9 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. Amortisation 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%

### 1.10 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.

### 1.11 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.

### 1.12 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.

### 1.13 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.

### 1.14 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.

#### 1.15 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.

#### 1.16 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.

## 1.17 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 No97 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:

	2013/14	2012/13
	%	%
Administration cost of the HWSETA	10.5	10
Employer grant fund levy	20	50
Discretionary grant and projects	49.5	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 is 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.

## 1.18 Taxation

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

## 1.19 Comparative figures

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

## 1.20 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 and explanations of material differences between the budget for which the entity is held publicly accountable and actual amounts.

The budget covers the period 1 April 2012 to 31 March 2013 and has been prepared on the accrual basis of accounting.

## 1.21 Related parties

An 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 2013/14

	Total per Income Statement R'000	Administration reserve R'000	Mandatory skills planning grant R'000	Discretionary grants R'000
<b>Total revenue</b>	<b>412 849</b>	<b>92 593</b>	<b>92 241</b>	<b>228 015</b>
Skills development levy: income				
Admin levy income (10.5%)	92 089	92 089	-	-
Grant levy income (69.5%)	289 351	-	92 241	197 110
Skills development levy: penalties and interest	2 983	-	-	2 983
Investment income	27 922	-	-	27 922
Other income	504	504	-	-
<b>Total expenses</b>	<b>(265 912)</b>	<b>(64 067)</b>	<b>(57 847)</b>	<b>(144 001)</b>
Administration expenses	(64 064)	(64 064)	-	-
Employer grants and project expenses	(201 848)	-	(57 847)	(144 001)
<b>Net surplus per the Statement of Financial Performance allocated</b>	<b>146 937</b>	<b>28 259</b>	<b>34 394</b>	<b>84 014</b>

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 2012/13

	Total per Income Statement R'000	Administration reserve R'000	Mandatory skills planning grant R'000	Discretionary grants R'000
<b>Total revenue</b>	<b>365 133</b>	<b>86 181</b>	<b>178 242</b>	<b>100 710</b>
Skills development levy: income				
Admin income (10.5%)	84 697	84 697	-	-
Grant levy income (69.5%)	252 609	-	178 242	74 367
Skills development levy: penalties and interest	3 875	-	-	3 875
Investment income	22 468	-	-	22 468
Other income	1 484	1 484	-	-
<b>Total expenses</b>	<b>(255 372)</b>	<b>(64 941)</b>	<b>(123 194)</b>	<b>(67 237)</b>
Administration expenses	(64 941)	(64 941)	-	-
Employer grants and project expenses	(190 431)	-	(123 194)	(67 237)
<b>Net surplus per the Statement of Financial Performance allocated</b>	<b>109 761</b>	<b>21 240</b>	<b>55 048</b>	<b>33 473</b>

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

	2013/14 R'000	2012/13 R'000
Levy income: Administration	92 089	84 697
Levies received	92 089	84 697
Levies received from SARS	38 949	36 317
Government levies received	53 185	48 361
Interseta transfers in	(18)	19
Interseta transfers out	(27)	-
Levy income: Employer Grants	92 241	178 242
Levies received	92 241	178 242
Levies received from SARS	92 318	178 145
Interseta transfers in	(91)	97
Interseta transfers out	(86)	-
Levy income: Discretionary Grants	200 093	74 367
Levies received	200 093	74 367
Levies received from SARS	178 360	70 453
Government levies received	18 867	-
Interest	1 388	1 969
Penalties	1 595	1 906
Interseta transfers in	(35)	39
Interseta transfers out	(82)	-
	<b>384 423</b>	<b>337 306</b>

### 4 Interest Income

	2013/14 R'000	2012/13 R'000
Interest income from banking institutions	27 922	22 468
	<b>27 922</b>	<b>22 468</b>

### 5 Other Income

	2013/14 R'000	2012/13 R'000
Other income comprises:		
Write-off payables to employers no longer active	-	426
Write-off of provident fund payable	-	375
Other	504	627
Mandatory Grants received by HWSETA for HWSETA staff training	-	56
	<b>504</b>	<b>1 484</b>

### 6 Employer Grant and Project Expenses

	Notes	2013/14 R'000	2012/13 R'000
Mandatory grants		57 847	123 194
Movement in provision		(27 276)	20 811
Disbursed		85 123	102 383
Discretionary grants		144 001	67 237
TVET Infrastructure grant	14.1	33 225	-
Disbursed		110 776	67 237
		<b>201 848</b>	<b>190 431</b>

## 7 Administration Expenses

	Note	2013/14 R'000	2012/13 R'000
Depreciation	8.1	986	702
Amortisation of Intangible assets	8.2	248	201
Operating and finance lease		6 006	6 005
Buildings		5 929	5 905
Plant, machinery and equipment		77	100
Maintenance, repairs and running costs		208	110
Property and buildings		204	105
Machinery and equipment		4	5
OCTO		457	
Research costs		92	
Advertising, marketing and promotions, communication		1 485	1 465
Consultancy and service provider fees		257	474
Legal fees		192	954
Cost of employment	7.1	34 107	31 835
Travel and subsistence and accommodation		4 861	6 240
Staff training and development		516	665
Remuneration to members of the accounting authority		1 443	1 773
Remuneration to members of the audit committee		171	208
External auditor's remuneration		1 699	1 345
Audit fees		1 699	1 345
Other		11 336	12 964
Workshops		1 239	2 140
Internal audit fees - Audit fees		1 360	1 661
Forensic audit fees		256	386
Special assignments		13	-
Courier and postage		208	338
Telephone		722	781
Programme evaluations - ETQA		639	911
Doubtful debts provision		149	40
Printing and stationery		1 498	1 754
Staff welfare		156	473
Office cleaning		330	330
Insurance		335	280
Motor vehicle expenses		90	83
Software support		1 242	1 107
Storage		39	32
Subscriptions		218	283
Staff bursaries		236	29
Security		4	10
Water and electricity, rates and taxes		1 170	915
Recruitment costs		429	571
Bank charges		56	41
IT systems		249	486
Branding		316	21
Other consumables		62	34
Office move		29	6
Catering and refreshments		291	231
Inventory loss		-	21
		<b>64 064</b>	<b>64 941</b>

## 7.1 Cost of Employment

Note	2013/14 R'000	2012/13 R'000
Salaries and wages	29 905	28 121
Basic salaries	27 379	23 516
Performance awards	1 267	1 024
Temporary staff	935	3 714
Leave expense	324	(133)
Social contributions	4 202	3 714
Medical aid contributions	594	545
Provident fund contributions: defined contribution plan	2 994	2 609
SDL Levies	309	281
UIF	129	132
Other salary related costs - cell phone allowances	176	147
	34 107	31 835
<b>Number of permanent employees at period end</b>		
Permanent staff	92	72
Temporary staff	5	
Internships	13	

Refer to the note 30 for disclosure concerning the emoluments of members of the Accounting Authority, the Chief Executive Officer, the Chief Financial Officer and Senior Managers.

## 8.1 Property Plant and Equipment

Year ended 31 March 2014	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Computer equipment	2 524	(1 393)	1 131
Office furniture and fittings	2 846	(1 119)	1 727
Office equipment	2 639	(802)	1 837
Motor vehicles	529	(340)	189
Balance at end of period	8 538	(3 654)	4 884
Made up as follows:			
- Owned assets	8 538	(3 654)	4 884

Year ended 31 March 2013	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
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

### Movement Summary 2014

Year ended 31 March 2014	Carrying amount 2013 R'000	Additions R'000	* Disposals R'000	Depreciation Charge R'000	Carrying amount 2014 R'000
Computer equipment	340	1 316	(9)	(516)	1131
Office furniture and fittings	1 849	29	-	(151)	1727
Office equipment	2 011	56	(3)	(227)	1837
Motor vehicles	281	-	-	(92)	189
Balance at end of period	4 481	1 401	(12)	(986)	4 884

\* At the end of the current year items of property, plant and equipment were authorised for disposal, computer equipment with an initial cost price of R625 960 and office equipment with an initial cost of R67 458. These assets are reflected with zero carrying values as they have reached the end of their useful life and no future economic benefits are expected. These assets will be replaced in the new financial year, and the assets with zero book value will be disposed. During the year the following assets were lost due to theft and damage: computer equipment with carrying value of R9 085 and office equipment with a carrying value of R3 405.

## Movement Summary 2013

Year ended 31 March 2013	Carrying amount	Additions	*	Depreciation Charge	Carrying amount 2013
	2012		Disposals		R'000
	R'000	R'000	R'000	R'000	R'000
Computer equipment	518	100	-	(278)	340
Office furniture and fittings	1 802	196	-	(149)	1 849
Office equipment	1 797	417	-	(203)	2 011
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.

## 8.2 Intangible Assets

Year ended 31 March 2014	Cost	Accumulated amortization/ impairment	Closing carrying amount
	R'000	R'000	R'000
Computer software	2 020	(1 742)	278
Balance at end of period	2 020	(1 742)	278
Made up as follows:			
Owned assets	2 020	(1 742)	278

Year ended 31 March 2013	Cost	Accumulated amortization/ impairment	Closing carrying amount
	R'000	R'000	R'000
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

## Movement Summary 2014

Year ended 31 March 2014	Carrying amount	Additions	Disposals	Depreciation Charge	Carrying amount 2014
	2013				R'000
	R'000	R'000	R'000	R'000	R'000
Computer software	356	170	-	(248)	278
Balance at end of period	356	170	-	(248)	278

At the end of the current financial year items of software were authorised for disposal as no future economic benefits are expected due to obsolescence and expiry of licenses. These assets are reflected with zero carrying values at 31 March 2014.

## Movement Summary 2013

Year ended 31 March 2013	Carrying amount	Additions	*	Depreciation Charge	Carrying amount 2013
	2012		Disposals		R'000
	R'000	R'000	R'000	R'000	R'000
Computer software	364	193	-	(201)	356
Balance at end of period	364	193	-	(201)	356

## 8.3 Change in Useful life and Residual values

The residual values and the useful lives of fixed assets 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.

## 9 Prepayments and Advances

Year ended 31 March 2014	2013/14 R'000	2012/13 R'000
Insurance	198	68
Office rental in advance	664	550
Subscriptions and other supplier deposits	69	112
Closing balance	931	730

## 10 Account Receivables: Non Exchange Transactions

	Note	2013/14 R'000	2012/13 Restated* R'000
Intersecta debtors	25	-	144
SARS levy reversals - Employer mandatory grant overpaid	10.1	10 477	2 170
Provision for doubtful debts		(496)	(380)
Skills development levy debtors		9 981	1 790
		9 981	1 934

SARS levy receivables comprise mainly of SARS reversals of R8,9 million relating to South African Social Security Agency (SASSA)

### 10.1 Employer Overpaid

Included in Skills Development Levy debtors are:	2013/14 R'000	2012/13 R'000
SARS receivable/(payable)		
Opening carrying amount	2 170	-
Net effect of SARS Adjustments on levies for the current year	8 307	2 170
Closing carrying amount	10 477	2 170

## 11 Account Receivables: Exchange Transactions

	2013/14 R'000	2012/13 Restated* R'000
Interest receivable on cash balances	1 014	1 088
Net Other Receivables	470	28
Other receivables	619	28
Less: Provision for bad debts	(149)	-
Staff receivables - salary advances	50	54
Office rental deposits	1 077	807
Staff study assistance/bursaries	624	650
Total receivables	3 236	2 627

## 12 Inventories

	2013/14 R'000	2012/13 R'000
Consumables	451	400

There are no consumables held at current replacement cost.

\* Restated figures 2012/13 – refer to note 17 for further details



## 13 Cash and Cash Equivalents

	2013/14 R'000	2012/13 R'000
Cash - Bank deposits	268 153	232 966
Cash - Corporation for Public Deposits	150 027	248 654
Cash - Investments in term deposits	362 840	142 500
Cash on hand	5	4
Cash and cash equivalents at end of year	781 025	624 124

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.

Credit ratings of HWSETA bankers: Financial institution	(Fitch ratings)	
	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 obligators 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 obligators 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 Grants and Transfers Payable Non exchange transactions

Note	2013/14 R'000	2012/13 Restated* R'000
Non-exchange transactions		
Grants Payable	34 894	36 737
TVET Infrastructure grant	14.1	-
SARS levy reversals - Employer mandatory grants underpaid (SARS adjustments)	193	4 991
UIF - levy refund *	-	3 571
Intersetta Payables	25	83
	68 585	45 382

\* Restated figures 2012/13 – refer to note 17 for further details

## 14.1 TVET Infrastructure liability

	2013/14 R'000	2012/13 R'000
Present value of liability on due date	30 716	-
Interest cost for the year	2 509	-
Fair value at 31 March 2014	33 225	-

## 15 Trade and other payables: exchange transactions

	2013/14 R'000	2012/13 Restated* R'000
Trade creditors	5 900	4 016
Staff leave accrual	1 031	815
SARS - PAYE/UIF and third party payables	407	582
	7 338	5 413

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 by an employee.

\* Restated figures 2012/13 – refer to note 17 for further details

## 16 Levy exempt provision movement

	2013/14 R'000	2012/13 R'000
Opening balance	5 604	5 604
transferred to discretionary income	(5 462)	-
additional provision created	233	-
closing balance	375	5 604

This balance relates to levy-Exempt employers contributing levies to the HWSETA. Unclaimed funds received more than 5 years ago have been transferred to discretionary income as per the Skills Development Levies Act.

## 17 Prior period error

1. The HWSETA adopted GRAP 23 - Revenue from non-exchange transactions, in the prior year when the statement became effective. Transactions for revenue, receivables and payables from non-exchanges transactions were correctly recognised as such in the accounting records. Disclosure of the following items was however incorrectly classified in the financial statements:

### 1.1 Inter-seta debtors -

Classified as receivables from exchange transactions instead of non-exchange transactions R 144 000

### 1.2 Discretionary grants payable to employers -

Classified as exchange payables instead of non-exchange payables R 8 793 000

### 2. Reclassification of Levy Exempt Provision -

Levy Exempt Provision was incorrectly classified as a non-exchange payable in the prior year R 5 604 000

## 18 Deferred government grants and donor funding

### 18.1 National Skills Fund (NSF) advance receipts

	2013/14 R'000	2012/13 R'000
Opening balance	(1)	(1)
Received during the year/ (paid during the year)	-	-
Deposits current (NSF)	-	-
	(1)	(1)
Less Utilised and recognised as income or against accrual as conditions met	-	-
Learners allowance	-	-
Training provider	-	-
Learners uniform	-	-
Net payable/(receivable)	(1)	(1)
Made up as follows:	(1)	(1)
Receivable	-	-
Payable	(1)	(1)

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

## 19 Contingencies

- 19.1 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 2013/14. Surplus funds of 2012/13 was approved by the National Treasury. The application for approval for 2013/14 was sent to the National Treasury at 31 May 2014.
- 19.2 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. The plaintiff, Ler-Ong has on two occasions removed the matter from the court roll after being set-down for trial. Currently the matter is pending. Total possible further cost amounts to R200 000.
- 19.3 There are currently 3 criminal cases pending against training providers for conducting training outside their scope of accreditation, while others have conducted training without the necessary accreditation. The cases were opened in 2013 and 2014 years.

## 20 Commitments

### 20.1 Discretionary reserve

Of the balance of R719 million available in the Discretionary Reserve at the end of March 2014, R633 million has been approved and allocated for future projects and skills priorities as set out below.

	NSDS Objectives and Indicators	Opening balance 2012/13 R'000	Approved by Accounting Authority and committed - 2013/14 R'000	Commitments released - 2013/14 R'000	Utilised- 2013/14 R'000	Closing balance 2013/14 R'000
Learnerships	NSDS111	84 608	172 062	(1 599)	(49 979)	205 092
SME Training support	NSDS111	5 000	7 100	(11 107)	(467)	526
Voucher system				45	(45)	-
Co-operatives for funding 2012-13	NSDS111	2 145	-	(2 145)		-
Pre-apprenticeship training	NSDS111	1 778	1 940	(1 238)	(687)	1 793
WEG for TVET Graduates	NSDS111	-	22 356	972	(2 142)	21 186
Post Graduate WEG	NSDS111	420	-	(41)	(121)	258
Limpopo Dept of SD - Social Work Graduates	NSDS111	18 000	-	-	(11 357)	6 643
learnership - SAW - SAWID	NSDS111	795	-	-	(795)	-
Nelson Mandela Met University - Nursing	NSDS111	3 764	-	-	(3 764)	-
Artisan Training	NSDS111	16 860	-	-	(3 332)	13 528
Carreer guide	NSDS111	118	-	(118)	-	-
Disability project	NSDS111	6 090	-	(154)	(3 798)	2 138
Work Experience for Persons With Disability	PWD	-	9 052	(4 800)	-	4 252
QASA project - Persons With Disability	PWD	-	802	(60)	(252)	490
NDS for CDP's	NSDS111	-	3 250	-	-	3 250
NDS - Skills Facilitator prog.	NSDS111	-	150	-	-	150
NDS - Unemployed youth on TVET qual.	NSDS111	-	7 500	-	-	7 500
Internships - unemployed	NSDS111	47	-	(47)	-	-
WEG for Mid level graduates -Internships		-	16 320		-	16 320
Skills Programmes	NSDS111	2 231	19 000	(109)	(238)	20 884
Bursaries - NSFAS, Bcur, Pop Studies	NSDS111	11 692	18 448	(1 702)	(18 316)	10 122
Bursaries - NGOs TVET learners	NSDS111	-	2 009		(123)	1 886
Bursaries - Nat. diploma in Biomedical Technology	NSDS111	-	332	-	(298)	34
ABET	HR Comm.	1 068	-	(73)	(323)	672
Institute of Sectoral Excellence	NSDS111	2 798	-	(2 798)	-	-
Workplace Experience	NSDS111	1 420	-	(1 420)	-	-
BEE Research	NSDS111	693	-	(693)	-	-
Levy Exempt	NSDS111	6 494	(2 154)	(27)	(1 189)	3 124
Special Funding	Special projects	10 328	-	(3 543)	(2 070)	4 715
Assessor/Moderator Training	ETQA	1 404	-	(1 282)	(122)	-
Development of Qualification Assessment	ETQA	1 191	-	(1 191)	-	-
New Venture Creation	NSDS111	88	-	(88)	-	-
Curriculum and learning	ETQA	281	-	-	(5)	276
Review of qualifications	ETQA	2 950	-	(2 950)	-	-
PWD internships	Internal project	2 842	-	-	(98)	2 744
IPAP	NSDS111	120	-	(80)	(40)	-
ECD - level 4	NSDS111	-	13 200	(4 785)	-	8 415
Rural community project - ECD level 4	NSDS111	-	8 646	-	(2 142)	6 504
ECD - level 5	NSDS111	11 484	-	-	(4 353)	7 131
SDF for NGO's	NSDS111	-	1 036	(938)	-	98
SD induction standard	Research	3 000	-	-	-	3 000
M and E projects	Research	134	-	(42)	(92)	-
Impact study	Research	1 360	-	6	(1 366)	-
National Certificate Vocational	ETQA	2 920	-	-	(1 368)	1 552
Skills Dev Facilitator - Tender	NSDS111	-	4 500	(1 016)	(1 620)	1 864
Pre apprenticeship training King Hintsa	NSDS111	-	90	-	-	90
Research bursaries for post graduates	Research	-	2 820	-	(274)	2 546
RPL project enrolled nursing	NSDS111	-	81	-	-	81
SFC Exchange Project	Research	600	-	-	-	600
<b>Total project commitment approved and contracted</b>		<b>204 723</b>	<b>308 540</b>	<b>(43 023)</b>	<b>(110 776)</b>	<b>359 464</b>

## 20 Commitments

### 20.1 Discretionary reserve (continued)

#### Total discretionary grants committed

	2013/14 R'000	2012/13 R'000
Total Discretionary Grants Committed	359 464	204 723

	NSDS Objectives and Indicators		2013/2014 R'000	2012/13 R'000	2013/2014 Obligation to pay	2013/2014 Obligation amount
Artisan projects	NSDS111	Discretionary	33 720	-	Yes	33 720
Co-operatives - DoSD	NSDS111	Discretionary	8 580	-	Yes	8 580
Skills programmes	NSDS111	Discretionary	8 273	-	Yes	8 273
Learnerships	NSDS111	Discretionary	176 116	44 973	Yes , same	67 452
Bursaries NGOs TVET learners	NSDS111	Discretionary	2 431	-	Yes	2 431
SDF for NGOs	APP	Discretionary	14	-	Yes	14
Graduate learners (TVET Graduates)	NSDS111	Discretionary	1 818	-	Yes	1 818
Skills Development Facilitator skills programme	NSDS111	Discretionary	-	4 500	n/a	-
Work experience for PWD project	APP	Discretionary	948	-	Yes	948
Pre-Apprenticeship Training - TVET College learners	NSDS111	Discretionary	60	2 000	Yes	60
Research bursaries for post graduate programmes	Research bursaries	Discretionary	1 080	3 900	No, as not ID	-
Rural Community project - ECD Level 4	NSDS111	Discretionary	1 254	9 900	Yes	1 254
Levy Exempt 2013/14	NSDS111	Discretionary	5 006	-	Yes, some	682
Levy Exempt 2012/13	NSDS111	Discretionary	2 154	-	Yes	2 154
Development of Qualification Assessment	NSDS111	Discretionary	1 191	-	No, as not ID	-
Review of qualifications	NSDS111	Discretionary	2 950	-	No, as not ID	-
Skills Enhancement project	Training Layoff	Discretionary	4 000	4 000	No, as not ID	-
Training Layoff Scheme	Training Layoff	Discretionary	4 000	4 000	No, as not ID	-
WEG for Mid level Graduates	NSDS111	Discretionary	19 680	-	Yes	19 680
			<b>273 275</b>	<b>73 273</b>		<b>147 066</b>

These projects were approved by the Authority but no written 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

**There are some projects in this category that have been identified where there is an obligation to pay, even though a formal MOU has not been finalised at 31 March 2014. These are considered to be obligations in relation to the New Grant Regulations.**

	2013/14 R'000	2012/13 R'000
Discretionary grants committed	359 464	
Discretionary grants committed through obligation	147 066	
Discretionary grants approved but not yet contracted	126 209	
<b>TOTAL DISCRETIONARY GRANTS COMMITTED (Contracted, Obligated and not yet contracted)</b>	<b>632 739</b>	<b>277 996</b>

### 20.2 Operating Commitments

	2013/14 R'000	2012/13 R'000
Approved and contracted:		
Procurement of furniture and fittings	-	-
Procurement of IT equipment	-	1428
		1 428
<b>Total Commitments: Discretionary and Operating</b>	<b>632 739</b>	<b>279 424</b>

## 21 Operating Leases

	2013/14 R'000	2012/13 R'000
<b>HWSETA as lessee:</b>		
At the balance sheet date, HWSETA has outstanding commitments under non-cancellable operating leases which fall due as follows:		
Not later than one year	7 474	5 280
Later than one year but not later than five years	948	5 731
Later than five years		-
	8 422	11 011

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

Lessee	Effective date	Termination date	Office	Escalation rate
Meadow Star Investments	01 April 2010	31 March 2015	JHB	10%
Motifprops 77 (Pty) Ltd.	01 November 2013	31 October 2015	Durban	10%
Blue Beacon Investments 206 Pty Ltd.	01 September 2013	31 March 2016	East London	10%
Francois and Louisa Familie Trust	01 February 2014	31 March 2016	Polokwane	8%

The HWSETA entered into an operating lease agreement with Vukile Investments (Pty) Ltd for the rental of office space in Cape Town. The lease period starts from 01 April 2014 to 31 March 2016.

## 22 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 2014

	2013/14 R'000	2012/13 R'000
<b>Fruitless and wasteful expenditure</b>	-	4
1. Expenses incurred for non-cancellation of security contract	-	4
<b>Losses through criminal conduct</b>	149	-
2. Payment made for the purchase of microsoft licenses. The supplier failed to provide the licenses. This expense was a result of non-delivery by the supplier and intentional misrepresentation by the supplier. A criminal case has been opened with the SAPS.	149	
<b>Total</b>	<b>149</b>	<b>4</b>

## 23 Events After Balance Sheet Date

The Minister of Higher Education and Training and the HWSETA were 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 was for the review and setting aside of the Minister's decision to appoint the HWSETA Board and approve the HWSETA constitution. Subsequent to year-end, this case has been awarded to the plaintiffs against the Minister. The DHET has indicated that any costs will be borne by the DHET and not the HWSETA. The DHET will appeal the decision. The implications of this verdict on the HWSETA are unknown at this stage.

## 24 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 utilised 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	Total
	Amount R'000	Effective interest rate	Amount R'000	Amount R'000
<b>Year ended 31 March 2014</b>				
Total financial assets				
Cash	781 025	3,58%	-	781 025
Accounts receivable		-	3 236	3 236
Total financial liabilities		-	(7 338)	(7 338)
	<u>781 025</u>	-	<u>(4 102)</u>	<u>776 923</u>
<b>Year ended 31 March 2013</b>				
Total financial assets				
Cash	624 124	3,60%	-	624 124
Accounts receivable			2 627	2 627
Total financial liabilities			(5 413)	(5 413)
	<u>624 124</u>		<u>(2 786)</u>	<u>621 338</u>

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 are as follows:

	2013/14 R'000	2012/13 R'000
<b>Financial assets at amortised cost</b>	<b>794 242</b>	<b>628 685</b>
Cash and cash equivalents	781 025	624 124
Receivables from exchange transactions	3 236	2 627
Receivables from non - exchange transactions	9 981	1 934
<b>Financial liabilities at amortised cost</b>	<b>75 923</b>	<b>50 795</b>
Payables from exchange transactions	7 338	5 413
Payables from non-exchange transactions	68 585	45 382

### 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 ageing of receivables from exchange transactions:**

	2013/14		2012/13	
	Gross	Impairment	Gross	Impairment
Not past due			-	-
0-30 days	1 535	-	1 170	-
31-120 days	-	-	-	-
120-365 days	-	-	-	-
Over a year (Rental deposits and Staff bursaries)	1 701	-	1 457	-
	3 236	-	2 627	-

**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 ageing of payables from exchange transactions:**

	2013/14		2012/13	
	Gross	Impairment	Gross	Impairment
Not past due			5 413	-
0-30 days	7 338	-	-	-
31-120 days	-	-	-	-
120-365 days	-	-	-	-
Over a year	-	-	-	-
Carrying amount	7 338	-	5 413	-

**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.



## 25 Related Party Transactions

All balances and transactions below are at arms length and in the normal course of business. The disclosure is purely for information purposes only.

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:

Interseta 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.

Related party	2013/14		2012/13	
	Transfers in/(out) during the year	Amount receivable/ (payable)	Transfers in/(out) during the year	Amount receivable/ (payable)
<b>Receivables</b>	<b>(144)</b>	<b>-</b>	<b>156</b>	<b>144</b>
Food beverage	(27)	-	-	27
Agri Seta	(7)	-	-	7
Services Seta	(49)	-	-	49
ETDP	(41)	-	-	41
W&R Seta	(3)	-	6	3
Fasset	(2)	-	-	2
In seta	(15)	-	150	15
<b>Payables</b>	<b>(193)</b>	<b>(271)</b>	<b>-</b>	<b>(83)</b>
Merseta	59	(2)	-	(61)
Inseta	(22)	(22)	-	-
W&R Seta	(5)	(8)	-	(3)
MICT	(52)	(52)	-	-
Agri Seta	(63)	(67)	-	(3)
CATHSETA	(2)	(2)	-	-
Services Seta	10	-	-	(10)
ISETT SETA	(6)	-	-	-
CHIETA	(110)	(116)	-	(6)
MOA	(2)	(2)	-	-
<b>Total</b>	<b>(337)</b>	<b>(271)</b>	<b>156</b>	<b>61</b>

## 25 Related Party Transactions (continued)

	2013/14		2012/13	2013/14	2012/13
	Total contributions received	Total contributions expected	Admin. Contributions received	Discretionary Grants Paid	Discretionary Grants Paid
	R'000	R'000	R'000	R'000	R'000
<b>National</b>					
Health	1 260	1 260	479	-	2 146
Social Development	971	971	308	954	3 303
<b>Provincial</b>					
<b>Western Cape</b>					
Health	3 903	3 906	3 541	-	583
Social Development	1 486	1 486	478	3 003	-
<b>Eastern Cape</b>					
Health	6 331	18 043	5 709	-	3 514
Social Development	2 913	2 913	957	-	-
<b>Gauteng</b>					
Health	16 085	47 944	15 055	3 324	5 473
Social Development	2 654	2 654	781	-	-
<b>Free State</b>					
Health	5 000	9 703	1 525	-	-
Social Development	1 271	1 271	394	-	-
<b>Northern Cape</b>					
Health	3 404	3 404	947	431	-
Social Development	746	745	234	-	91
<b>Mpumalanga</b>					
Health	4 298	14 373	-	-	-
Social Development	400	915	-	-	-
<b>Limpopo</b>					
Health	4 338	27 070	2 702	1 854	1 209
Social Development	1 387	1 951	435	5 798	3 140
<b>KwaZulu</b>					
Health	11 284	32 162	10 105	199	761
Social Development	2 794	2 794	810	-	-
<b>North West</b>					
Health	1 527	1 527	3 900	-	215
Social Development	-	12 554	-	-	-
	<b>72 052</b>	<b>187 646</b>	<b>48 360</b>	<b>15 563</b>	<b>20 435</b>

Government Departments contribution of levies to the HWSETA is at 30% in 2013/14 of their 1% training budget in line with a Cabinet Circular effective 1 April 2013. One third of the 30% received is allocated for the administration of the HWSETA, the remaining 20% is allocated for discretionary grant funding. In the 2013/14 year, there were Departments that failed to contribute the full 30% as required (difference between R72 052 000 and R187 646 000). The full amount due was not raised in the financial statements as revenue due to the remote probability of collection of the outstanding amounts, in line with GRAP 23.

## 26 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:

	2013/14	2012/13
	R'000	R'000
<b>Opening balance</b>	(863)	(863)
Release of accruals during to termination of lease contracts	702	
<b>Closing balance</b>	(161)	(863)

An amendment in the Head office lease contract resulted in a termination of the original lease and the recognition of a new lease in terms of the accounting framework. This resulted in the significant release of the smoothing accrual in the current year.

## 27 Reconciliation of Net Cash Flow from Operating Activities to Net Surplus

	2013/14 R'000	2012/13 R'000
Net surplus as per Income Statement	146 937	105 886
<b>Adjusted for non-cash items:</b>		
Depreciation	986	702
Amortisation	248	201
Investment income	(27 922)	(22 468)
<b>Adjusted for working capital changes:</b>	10 304	40 074
(Increase)/decrease in inventory	(51)	324
(Increase)/decrease in receivables	(8 409)	15 847
Decrease in smoothing lease	(702)	218
Increase/(decrease) in payables	19 463	23 685
<b>Cash generated from operations</b>	<b>130 550</b>	<b>124 395</b>

## 28 Critical Accounting Judgement 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 has 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.

## 29 New Accounting Pronouncements

The HW SETA has not applied the following standards and interpretations, as the effective dates have not yet been gazetted by the Minister:

<b>Standard/ Interpretation:</b>	<b>Effective date:</b>	<b>Impact</b>
GRAP 18: Segment Reporting	Not yet effective	The standard provides guidance on accounting for determination of reportable segments and will require additional disclosure.
GRAP 20: Related party disclosures	Not yet effective	The standard provides guidance on related party disclosures to ensure that an entity's financial statements contain the disclosure necessary to draw attention to the possibility that its financial position and surplus or deficit may have been impacted by the existence of connected parties and by transactions and outstanding balances with such parties. The standard will not have an impact on HW SETA as the standard was early adopted.
GRAP 105: Transfers of functions between entities under common control	Not yet effective	The purpose of the standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It is not anticipated that the standard will have an impact on the HW SETA.
GRAP 32: Service concession arrangements: Grantor	Not yet effective	The purpose is to prescribe the accounting for service concession arrangements by the Grantor.
GRAP 106: Transfers of functions between entities not under common controlables	Not yet effective	The purpose of the standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It is not anticipated that the standard will have an impact on the HW SETA.
GRAP 107: Mergers	Not yet effective	The objective is to provide accounting principles guidance for the merged entities.

## 30 Board remuneration

Financial year 2013/14		Total	Allowances		S & T Allowances	
Names	Designation		Board fee	Meeting Attendance	Reimbursement	Cell Phone
Ms N January-Bardill	Chairman	142 026	75 420	52 566	1 940	12 100
Ms F Fayers	Board/Exco Member	138 373	55 465	65 568	11 290	6 050
Mr R Van Loggerenberg	Board/Exco Member	11 029	-	-	4 979	6 050
Mr D Shardlow	Board/Exco Member	108 584	48 358	43 174	11 002	6 050
Mr H Sikhitla	Board/Exco Member	116 269	51 081	53 603	5 535	6 050
Mr P Motubatse	Board Member	95 354	45 939	27 513	21 902	-
Mr W Montjane	Board Member	115 566	69 515	41 066	4 985	-
Mr A Seirlis	Board Member	102 128	54 941	38 648	8 539	-
Ms E Zondo	Board Member	1 684	-	-	1 684	-
Ms E Strachan	Board Member	119 239	57 759	48 698	12 782	-
Ms I Smith	Board Member	119 432	65 744	46 776	6 912	-
Ms T Ngcobo	Board Member	132 964	67 252	38 440	27 272	-
Ms K Maluleke	Board Member	104 199	24 275	74 683	5 241	-
Dr C Moloko	Board Member	141 217	74 206	67 011	-	-
Mr HJP Groenewald	Board Member	1 348	-	-	1 348	-
<b>Total</b>		<b>1 449 412</b>	<b>689 955</b>	<b>597 746</b>	<b>125 411</b>	<b>36 300</b>

NB: The above amounts are before taxation

### Independent Audit Committee Member Remuneration

Financial year 2013/14		Total	Meeting Attendance	S & T
Names	Designation			
Mr V Magan	Member	54 391	52 916	1 476
Mr RG Nicholls	Member	28 430	27 730	700
Mr LZ Fihlani	Member	8 497	8 260	237
Mr S Madikizela	Member	20 585	20 444	141
Mr R Adam	Member	47 512	34 096	13 417
<b>Total</b>		<b>159 415</b>	<b>143 445</b>	<b>15 970</b>

### Senior Management Remuneration

Financial year 2013/14		Total	Basic	Travel	Cell Phone	Bonus
Names	Designation					
Ms YD Mbane	Chief Executive Officer	1 460 743	1 253 323	120 000	12 661	74 760
Mrs E Brass	Chief Financial Officer	1 200 359	973 107	120 000	6 600	100 652
Mr AK Pardesi	Executive - CS (11 months)	845 366	840 951	-	4 415	-
Mr P Samuels	Executive - SDP	993 589	831 058	72 000	5 591	84 940
Mr SB Gcabashe	Executive - RIME	1 007 588	802 648	120 000	-	84 940
Ms BJ Motubatse	Executive - ETQA (4 months)	279 952	277 852	-	2 100	-
<b>Total</b>		<b>5 787 596</b>	<b>4 978 938</b>	<b>432 000</b>	<b>31 367</b>	<b>345 291</b>

Financial year 2012/13			Allowances		S & T Allowances	
Names	Designation	Total	Board fee	Meeting Attendance	Reimbursement	Cell Phone
Mrs N January-Bardill	Chairman	174 054	83 151	75 108	4 795	11 000
Ms F Fayers	Exco Member	125 067	49 872	60 018	9 677	5 500
Mr R Van Loggerenberg	Exco Member	11 159	-	-	5 659	5 500
Mr R Fakroodeen	Exco Member	4 184	-	-	1 434	2 750
Mr D Shardlow	Exco Member	95 272	46 548	36 520	12 204	-
Mr H Sekhitla	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	-
Mrs 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	-
<b>Total</b>		<b>1 208 716</b>	<b>533 257</b>	<b>519 995</b>	<b>125 214</b>	<b>30 250</b>

NB: The above amounts are before taxation

#### Independent Audit Committee Member Remuneration

Financial year 2012/13				
Names	Designation	Total	Meeting Attendance	S & T
Mr V Magan	Member	36 618	35 424	1 194
Mr RG Nicholls	Member	79 404	78 184	1 220
Mr LZ Fihlani	Member	34 579	33 630	949
<b>Total</b>		<b>150 601</b>	<b>147 238</b>	<b>3 363</b>

#### Senior Management Remuneration

Financial year 2012/13							
Names	Designation	Total	Basic	Acting/payout	Travel	Cell Phone	Bonus
Ms YD Mbane	CEO (01/09/12 – 31/03/13)	685 023	608 416	-	70 000	6 607	-
Mrs E Brass	ACTING CEO (01/04/12 – 31/08/12)	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 (01/04/12 – 31/08/12)	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
Mr L Motsherane	Executive Manager - CS (01/04/12 – 31/10/12)	523 944	390 853	-	70 000	4 400	58 691
Mr NT Seotsanyana	Executive Manager	784 880	664 880	-	120 000	-	-
<b>Total</b>		<b>5 293 643</b>	<b>4 292 948</b>	<b>135 696</b>	<b>612 000</b>	<b>28 324</b>	<b>224 675</b>

## 31 Presentation of budget information

### Reconciliation of budget surplus with the surplus in the statement of financial performance - 2013/14

	R'000
<b>Net surplus per the statement of financial performance Adjusted for:</b>	146 937
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	-
	146 937
Less capital expenditure	
Participation on mandatory grants	2 185
Utilisation of reserves for discretionary grants	(97 494)
Underspending on administration expenses	(24 169)
	(119 469)
Exceeded budget collection of revenue	(23 465)
<b>Net surplus per approved budget before capital expenditure</b>	<b>4 000</b>

#### Factors resulting in major variances between actual costs and budgeted costs:

##### As per the Statement of Comparison between Budget and Actual costs:

- The Grant levies budget for the current year is based on levy income percentages as per the new grant regulations. Actual receipts however comprise mainly SDL levy income.*
- Government levies are higher than expectation despite a few outstanding levies from the Departments. This is due to higher salaries costs borne by the departments. The budget did not provide for the 20% expected from Departments in line with the Cabinet Circular.*
- Interest income is higher than budget due to the high cash reserves being held at banking institutions.*
- Travel and accommodation costs are below expected costs to date. Travel and accommodation costs incurred in respect of workshops carried out by ETQA and SDP- R450 000 have been funded from the workshops budget. Lower costs in the current year are influenced by factors such as level of activity being lower than expected, as well as decentralisation of functions to Provinces. In addition, ETQA activities to address verification backlogs in the prior year resulted in higher costs in the prior year compared to the current year. ETQA visits have declined significantly in the current year.*
- IT system costs are lower than expected. This underspending is due to delays experienced in the procurement of IT infrastructure and costs expected in the current year are now expected in the next financial year.*
- Programme evaluation costs are lower than expected (largely unpredictable), and as a result, related courier costs are also lower.*
- Savings are mainly due to the filling of positions on the organogram not being complete early in the year. This has had an effect on the resources aligned to staffing such as travel and accommodation, training, staff welfare, stationery, capital expenditure and recruitment.*

*In addition, the HWSETA had heeded the call for austerity measures all along. This has resulted in savings in administration expenditure which are used to embellish capacity in the short-term as and when required.*

	Original approved budget	Final Approved Budget	Difference
	at start of year 2013-14	2013-14	
Financial year 2013/14	R'000	R'000	R'000
Levy income	263 297	313 589	50 292
Government levy contributions	43 000	51 069	8 069
Investment income - interest	15 000	23 726	8 726
Levy income penalties	1 000	1 000	-
Other income	-	-	-
Total Income	322 297	389 384	67 087
Total Expenditure	320 398	385 384	64 986
Administration expenditure	74 265	88 227	13 962
Mandatory grants expenditure	164 425	55 662	(108 763)
Discretionary grant expenditure	81 708	241 495	159 787
<b>Surplus for the period</b>	<b>1 899</b>	<b>4 000</b>	<b>2 101</b>
Less capital expenditure	1 899	4 000	(2 101)
<b>Surplus after capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

*The adjustments to the originally approved budget of 2013/14 (approved in August 2013), were made due to information available six months into the 2013-14 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. The increases in the administration budget were mainly in respect of salaries and wages and related costs due to the increase in staff establishment as approved by the Board based on the Organisational Design Exercise. Skill development income was increased based on collections received in the first six months of the year. Changes in the grant payments is solely as a result of the changes on the Grant Regulations.*

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

	R'000
<b>Net surplus per the statement of financial performance</b>	105 886
<b>Adjusted for:</b>	
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)
<b>Net surplus per approved budget before capital expenditure</b>	<b>3 500</b>

Financial year 2012/13	Original approved budget at start of year 2012-13 R'000	Final Approved Budget 2012-13 R'000	Difference 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	-	-	-
<b>Total Income</b>	<b>280 825</b>	<b>307 394</b>	<b>(26 569)</b>
<b>Total Expenditure</b>	<b>277 325</b>	<b>303 894</b>	<b>26 569</b>
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
<b>Surplus for the period</b>	<b>3 500</b>	<b>3 500</b>	<b>-</b>
Less capital expenditure	3 500	3 500	-
<b>Surplus after capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Acronyms

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

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## Entity Details

### Registered Name of Entity:

Health and Welfare Sector Education and Training Authority

### Registration Number:

11/HWSETA/01/04/05

### Registered Office Address:

17 Bradford Road, Bedfordview, Johannesburg

### Postal Address:

Private Bag X15, Gardenview, 2047

### External Auditors Information:

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Rienk Grobler

The Auditor-General SA

Lefika House

Pretoria

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## Bankers Information:

### Standard Bank

Account Executive Public Sector

184 Hyde Lane Cnr Jan Smuts and William Nicol

Hyde Park, Sandton

### RMB

1 Merchant Place Cnr Friedman Dr and Rivonia Road

Sandton 2196

### Nedbank

6th Floor Corporate Place Nedbank Sandton

135 Rivonia Road

Sandown, 2196

### Corporation for Public Deposits (CPD)

PO Box 427

Pretoria, 0001

### Stanlib

17 Melrose Boulevard

Melrose Arch, 2196

# Annual General Meeting 2013

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During the morning of 24 October 2013, a Stakeholder Breakfast Session took place at the Summerstrand Hotel in Port Elizabeth that was followed in the afternoon by the 2013 Annual General Meeting. The event was well attended by a variety of the HWSETA's stakeholder base. Residents from Lake Farm Centre in Port Elizabeth that provides a loving environment for intellectually challenged adults kicked off the event by playing the South African National Anthem and providing entertainment for the guests.



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The 2014 Annual General Meeting for the HWSETA will take place on 30 October 2014 in Limpopo Province

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## HWSETA Contact Information

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### Eastern Cape

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Manager: Welekazi Mangaliso

### Kwa-Zulu Natal/Free State

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Manager: Lungile Ncikazi

### Limpopo/Mpumalanga

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### Western Cape/ Northern Cape

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### Satellite Office: Northern Cape

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Manager: Juanita Moller

### Satellite Office: Eastern Cape

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