

ANNUAL REPORT

2021-2022



Health and Welfare Sector
Education and Training Authority

HWSETA

HWSETA

ANNUAL REPORT

2021-2022

RP128/2022

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MINISTER OF HIGHER
EDUCATION AND
TRAINING

Dr Bonginkosi Blade Nzimande



DEPUTY MINISTER OF
HIGHER EDUCATION
AND TRAINING

Mr Buti Manamela



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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PART A

GENERAL INFORMATION





**A BETTER
LIFE FOR ALL
THROUGH
PEOPLE
DEVELOPMENT**

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

TEL: 011 609 6900

EMAIL: hwseta@hwseta.org.za

WEBSITE: www.hwseta.org.za

BOARD SECRETARY:

Mrs Eleaze Woodward

eleazew@hwseta.org.za

EXTERNAL AUDITORS INFORMATION:

4 Daventry Street, Lynnwood Bridge

Office Park, Lynnwood Manor, Pretoria, SA

PO Box 446, Pretoria, 0001

BANKERS INFORMATION

STANDARD BANK OF SOUTH AFRICA:

303 Eastgate Office Towers

43 Bradford Road, Bedfordview, 2008

CORPORATION FOR PUBLIC DEPOSITS (CPD)

PO Box 427, Pretoria, 0001

LIST OF ABBREVIATIONS/ACRONYMS

AET	Adult Education and Training	NQF	National Qualifications Framework
AFS	Annual Financial Statements	NSA	National Skills Authority
APP	Annual Performance Plan	NSDS	National Skills Development Strategy
AQP	Assessment Quality Partner	NSDP	National Skills Development Plan
ATRs	Annual Training Reports	NSF	National Skills Fund
AUCOM	Audit Committee	OFO	Organising Framework for Occupations
CCMA	Commission for Conciliation, Mediation and Arbitration	OHSA	Occupational Health and Safety Act
CPD	Continuing Professional Development	PAIA	Promotion of Access to Information Act
CS	Corporate Services	PAYE	Pay As You Earn
DoL	Department of Labour	PFMA	Public Finance Management Act
DoH	Department of Health	QCTO	Quality Council for Trades and Occupations
DHET	Department of Higher Education and Training	RIME	Research, Information, Monitoring and Evaluation
DSD	Department of Social Development	RPL	Recognition of Prior Learning
EDP	Executive Development Programme	SACSSP	South African Council for Social Service Professions
EISA	External Integrated Summative Assessment	SAPS	South African Police Service
ERP	Enterprise Resource Planning	SARS	South African Revenue Service
ETQA	Education and Training Quality Assurance	SDA	Skills Development Act
ETD	Education, Training and Development (Practitioners)	SAQA	South African Qualifications Authority
EXCO	Executive Committee	SDFs	Skills Development Facilitators
FU	Finance Unit	SDL	Skills Development Levy
GDS	Growth and Development Summit	SDP	Skills Development Planning
HASA	Hospital Association of South Africa	SETA	Sector Education and Training Authority
HDSA	Historically Disadvantaged South Africans	SGB	Standards Generating Body
HR	Human Resources	SLA	Service Level Agreement
HSRC	Human Science Research Council	SMMEs	Small, Micro, Medium Enterprises
H&S	Health and Safety	SSACI	Swiss-South African Cooperation Initiative
ISO	International Standards Organisation	SSP	Sector Skills Plan
IT	Information Technology	SWOT	Strengths, Weaknesses, Opportunities and Threats
MERP	Monitoring, Evaluation and Reporting Plan	TVET	Technical and Vocational Education and Training
MIS	Management Information Systems	UIF	Unemployment Insurance Fund
MOU	Memorandum of Understanding	WSPs	Workplace Skills Plans

FOREWORD BY THE CHAIRPERSON



DR. NOMFUNDO V. MNISI
CHAIRPERSON OF THE BOARD

It gives me great pleasure to present the 2021-2022 Annual Report in line with relevant laws and regulations, on behalf of the Accounting Authority of the HWSETA, and in my capacity as the Chairperson of the Board. This Annual Report is an accurate account of the performance of the HWSETA towards the achievements of the goals and targets set in the Annual Performance Plan for the year under review.

Having completed its second year of tenure as the current Accounting Authority for the HWSETA, I am pleased to say that the Board has settled in well and is working hard to meet its objectives as the organisation's governance oversight.

COVID-19 DURING THE PERIOD UNDER REVIEW

The COVID-19 pandemic continued to make its presence felt during the year under review, although to a lesser degree than in the previous year.

Extensive focus was placed on activities, partnerships and skills development initiatives in response to the pandemic as the Board understands the important role that the HWSETA had to play as South Africa sought to address the pandemic and its impact on the Country.

My report in the previous Annual Report alluded to an 'all hands on deck' approach to weathering the COVID-19 storm and this was once again the case. The concerted efforts and collaborations between the public and private sector organisations, as well as business, have continued to play an important role and will remain in the future as South Africa sets out to rebuild the Country after the pandemic.

MANDATE OF THE HWSETA

The current Board embarked on its journey on 1 April 2020, and whilst it was challenging initially as a result of the pandemic, I can confidently say that we have made great progress. The HWSETA continued to deliver on its mandate effectively, as directed by the Skills Development Act, as well as other relevant laws and regulations. The HWSETA continued to implement the directives of the Honourable Minister of Higher Education, Science and Technology, Dr. Bonginkosi E. Nzimande, in his capacity as the Executive Authority of the HWSETA. The HWSETA ensured that delivery is in accordance with the National Skills Development Plan, Medium Term Strategic Framework and the National Development Plan 2030.

I applaud the HWSETA Board for its tenacity and steadfast approach to the task at hand during the period under review.

In the face of what was a challenging year, during which we were required to play 'catch up' after the intense disruption the previous year, in addition to addressing the goals and objectives of the new financial period, the HWSETA team has performed exceptionally well, having achieved 90.9% of targets against the Annual Performance Plan.

The organisation has once again received its 15th consecutive unqualified audit, that highlights not only dedication by all the staff in the organisation, but also the efficiency and effectiveness of the control measures employed. I can assure our stakeholders that we will continue to maintain good governance, performance and internal control, and to improve where needed in the coming financial year.

PERFORMANCE OF THE BOARD

The consistency and leadership of the Board proved efficient and effective in paving the way for the HWSETA to execute its mandate. Throughout the 2021/22 financial year, the Accounting Authority maintained focus to ensure that the HWSETA continues to deliver and attain goals and targets of the NSDP. The HWSETA's Board ensured that it provides leadership to the entire organisation in order to maintain a conducive environment which promotes productivity and excellence.

Standing Committees of the Board were functional and effective throughout the period. The HWSETA vacancy rate was maintained at optimal levels, always ensuring that the HWSETA has sufficient human resources. The Audit, Risk, Governance and Ethics Committee served the HWSETA with distinction, and the HWSETA continues to receive excellent service from its Internal Auditors. The Board, with the involvement of Executive Management and Management as a whole, has maintained good relations with most of its stakeholders.

I am pleased at the strides that the HWSETA is making to achieve all targets set and serve the sectors of health, social development and veterinary science.

My sincere gratitude goes to the Minister, Board members, Standing Committees members and co-opted members, management, staff,


Internal Auditors and the Office of the Auditor-General. It is their sheer dedication and commitment that culminated in the HWSETA's delivery of its programmes and projects.

I wish to take this opportunity to thank all our stakeholders and partners, who created an enabling environment for the HWSETA to be able to discharge its mandate.

I also direct tremendous gratitude to all critical role players, such as organised labour in the sector, provincial and national Departments of Health and Social Development, employers in the private sector, Non-Governmental Organisation (NGOs), institutions of higher learning and the college sector, our professional councils and our partners. Your selfless contributions give meaning to the phrase "if you want to go fast, go alone, but if you want to go far, go together".

The health and welfare sector, public and private, and stakeholders in the education and training sector should take comfort in the knowledge that the HWSETA is delivering on its mandate and continuously strives for improvement and relevance.

Thank you.



I applaud the HWSETA Board for its tenacity and steadfast approach to the task at hand during the period under review.

CHIEF EXECUTIVE OFFICER'S REPORT



MS ELAINE BRASS CA(SA)
CHIEF EXECUTIVE OFFICER

As we find ourselves emerging from COVID-19, we have no choice but to reflect on the devastating effect that the pandemic has had on lives, families, businesses and the economy. COVID-19 impacted the HWSETA too in both positive and negative ways. We were able to come in quickly and serve our sector at the time most needed, but we took a knock on our performance during the previous financial year in learnerships, internships, work-based training and completions, achieving 71% of our targeted performance.

This year however we have bounced back and I am pleased to say we have achieved 90% of our performance targets.

The HWSETA has once again achieved an unqualified audit and there were no material matters of non-compliance with laws and regulations. Our control environment remains strong. Skills Development revenue increased by 40% from last year, whilst discretionary grant disbursements and administrative expenditure came in marginally below budget. Mandatory grant participation was up by 6% to 66% in the current year.

We did however have some challenges in the organisation relating to our performance information on two indicators due to decentralisation. We have already identified these gaps and are closing them with urgency.

The Auditor-General of SA reported on these two indicators which are material as it falls within a material programme. Time ran out to conclude on these two indicators with the Auditor-General, however these did not affect our performance reported even if corrections were made.

The HWSETA had an exceptional year of carrying out our mandate. With the launch of our career guidance portal in the previous year, we were able to significantly exceed the target for this year as the portal is digitised, easy to access and use. We reached 8402 learners during the year. Our social media footprint continues to strengthen also directing learners to our portal.

Skills Development revenue increased by 40% from last year.

Our research is the cornerstone of the Annual Performance Plan (APP) and Strategic Plans and how we achieve it. This year we produced five research reports and updated our Sector Skills Plan (SSP), thus

overachieving this target. All our research reports can be accessed on our website in an interactive manner, and produces valuable information that directs the HWSETA in meeting its mandate in serving our sectors. Furthermore, the HWSETA completed five monitoring and evaluation reports for the year. These assist us to improve on the projects we offer through our APP.

Once again, our post graduate programme has been most successful and we have overachieved on completions producing 35 employed and 28 unemployed learners on a post graduate level.

Completions on apprenticeships for both employed and unemployed, have been exceptional this year where we have achieved 91 employed and 158 unemployed learners on an apprenticeship. This was due to block training that was introduced allowing employers

to easily release workers for this period of training. Also, the overachievement of these targets was due to trade tests now resuming after COVID-19.

The HWSETA has used apprenticeships as part of its rural development strategy in that rural areas were selected where youth were recruited and linked to employers, that in turn provided connections to workplaces. This strategy has proven to be successful.

The HWSETA continues to support the country's TVET and public college system and these targets have been well achieved. We have performed well in supporting employed and unemployed learners on internships, and work integrated programmes entries were well achieved, but completions were very low due to the colleges not reporting completions in time.

In support of the Country's Economic Reconstruction and Recovery Plan (ERRP) the HWSETA has trained 795 Early Childhood Development Practitioners in the year, supported training in qualifications in priority areas such as Diesel Mechanics, Millwright and Boiler Maker artisanship's, as well as provided support to TVET colleges in vocational and occupational training, work integrated learning and lecturer development.

Furthermore the HWSETA has developed a concept paper on supporting social service practitioners to become social entrepreneurs. Engagement between HWSETA and Universities has commenced with the aim of entering into partnerships to train unemployed social service practitioners.

Learnerships continue to be the highest funded area for the HWSETA. This year good progress was made in the entries for unemployed learners onto learnerships, with completions being exceptional and overachieved. However, learnership targets for the employed were not well met. This is because of the difficulty of employers to release employees for learnerships. Online studies and the introduction of part-time learnerships will assist employers in future.

HWSETA's strength continues to be with its partnerships, and through 40 partnerships we have achieved well in rural development initiatives, as well as support to Social Development on Gender Based and Femicide strategies. This year the partnership with the SAVC and SAVF on the mentorship programme proved most valuable in assisting with the success rate of students in this area.

All targets for SMME's, NGO, NPO, co-operatives, levy exempt and AET programmes were met this year. In particular, the HWSETA funded NGOs and NPOs on Ethics and Governance training, which proved to be much needed.

Quality assurance remains strong with targets on accreditations of Skills Development practitioners and number of certificates issued by the HWSETA relating to qualifications quality assured by the HWSETA being met and overachieved. Two qualifications were developed, completed and submitted to the QCTO for registration during the year:

- Advanced Occupational Certificate: Occupational Health and Safety Practitioner at NQF level 5

- National Certificate: Occupational Health and Safety Officer at NQF level 4

The HWSETA continued to support RPL in the sectors, and 349 workers underwent a successful RPL for a qualification under the Department of Health.

The few areas of underachievement on workers entering AET programmes for Emergency Medical Services was due to the uptake not meeting our targets. We will revise our strategy to ensure greater participation next year. Unemployed persons entering undergraduate bursaries was also underachieved. This is an area still affected by COVID-19 and the delays and disruptions in the academic year. Employed workers entering into skills programmes was also underachieved due to COVID-19 restrictions on gatherings and conferences.

In the year, the HWSETA supported almost equally employed and unemployed learners across its programmes. Furthermore, 89% of these learners were African, and 73% were youth, 75% were women, and 2% were persons with a disability. Geographically, 68% of learners came from provinces with the highest rural geography.

In the 2021-2022 year, the HWSETA continued to improve on its Corporate Governance, and strengthened its Governance practices, compliance monitoring, risk management and introduced a number of initiatives to inculcate an ethical culture.

These achievements would not have been attained without the combined dedication of our Board, Management and staff of the HWSETA. Once again, through challenging times, we have ensured a good result for the year.

We would not exist without our employers, stakeholders and partners. We wish to sincerely thank you for your commitment to the HWSETA during this year. We pray that the thousands of lives we have touched this year has made a bigger impact in our country for a better life.

God Bless!



HWSETA ATTENDS MILLWRIGHT GRADUATION CEREMONY AT DURNACOL SKILLS HUB

In response to the call by the Minister of Higher Education and Training for the country to produce more artisans, in 2019 the HWSETA allocated funding for 35 students to pursue a section 26D (red seal) millwright qualification. This inaugural project with Durnacol Skills Hub wrapped up with a Graduation Ceremony at Durnacol Skills Hub in Newcastle, KZN on 26 October 2021.

This was the HWSETA's first rural development project that focussed on artisan development. The learners who graduated are from deep rural areas with little or no access to learning and employment opportunities.

Durnacol Skills Hub and the HWSETA contacted Community Based Organisations in the chosen rural areas that identified indigent families that would appreciate the opportunity given to their children. Teams from the HWSETA team and Durnacol Skills Hub visited all these areas and conducted recruitment tests and interviews. These took more than four hours at each site and resulted in the learners that are graduating today.

The training was held over a 24-month period, with 12 months consisting of classroom and workshop training and the other 12 months offering a workplace component.

Ms. Elaine Brass, the CEO of HWSETA said that the learners were put on an accelerated programme that was focused on specific learning for them to qualify. This means workplace training was focused on certain workplace competencies according to the approved curriculum. With this, and taking into account the limited time one had in the workplace, as well as disruptions caused by the COVID-19 pandemic in the past year, the HWSETA together with the College offered an additional 18 months of workplace experience in approved companies.

"Our journey with the HWSETA started in 2019 and during our travels to various provinces to recruit the 35 learners for the programme,



we were humbled by the need identified in these areas. We have since embarked on various other projects with the HWSETA and are proud to be associated with an organisation that is as passionate as we are about the training and development of young people", said Mr Neville Els, the founder of the Durnacol Skills Hub.



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa;
- The Annual Report is complete, accurate and is free from any omissions;
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the National Treasury;
- The Annual Financial Statements (Part E) have been prepared in accordance with the required accounting (GRAP) standards applicable to the public entity;
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information;
- The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements;
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements; and
- In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2022.

Yours sincerely,

Ms Elaine Brass CA (SA)

CHIEF EXECUTIVE OFFICER

DATE: 31 JULY 2022

Dr Nomfundo V. Mnisi

CHAIRPERSON OF THE HWSETA

DATE: 31 JULY 2022

■ STRATEGIC OVERVIEW

OUR VISION



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

OUR MISSION



The Health and Welfare Sector Education and Training Authority (HWSETA) endeavours to create and implement 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



- Service Excellence
- Transformation
- Transparency
- Integrity
- Respect
- Fairness
- Accountability

■ LEGISLATIVE AND OTHER MANDATES

The HWSETA is a statutory body, a juristic person, and a schedule 3A entity – as per the Public Finance Management Act (PFMA).

CONSTITUTIONAL MANDATES

As an entity of the Department of Higher Education and Training, the HWSETA derives its mandate from the Constitution of the Republic of South Africa, specifically Section 29, read with schedule 4, which lists education at all levels, including tertiary education, as a functional area of concurrent national and provincial legislative competence.

LEGISLATIVE MANDATES

The HWSETA derives its mandate from:

- The Skills Development Act, as amended;
- The Skills Development Levies Act, as amended;
- The South African Qualifications Authority Act, as amended;
- The Quality Council for Trades and Occupations Act;
- The Public Finance Management Act, as amended;
- Treasury Regulations;

- All other (relevant/applicable) Human Resources and Industrial Relations Acts;
- All other Health and Welfare Acts and Regulations;
- Grant Regulations; and
- White Paper on Post-school Education.

POLICY MANDATES

Policy mandates are dictated by the Service Delivery Agreements entered into by Ministers of:

- Department of Higher Education, Science and Technology;
- Department of Health; and
- Department of Social Development.

■ EXECUTIVE MANAGEMENT TEAM



MS ELAINE BRASS CA(SA)
Chief Executive Officer



MS ZANDILE MAFATA
Chief Financial Officer



MR BOB PARDESI
Executive Manager: Corporate
Services (CS) Division



MS BAAKEDI MOTUBATSE
Executive Manager: Education Training
Quality Assurance (ETQA) Division



MR SIKHUMBUSO GCABASHE
Executive Manager: Skills
Development Planning (SDP) Division




MRS BULELWA PLAATJIE
Executive Manager: Research
Information Monitoring and Evaluation
(RIME) Division



MR CLAYTON PETERS
Executive Manager: Provinces

2021-2022 ANNUAL DASHBOARD

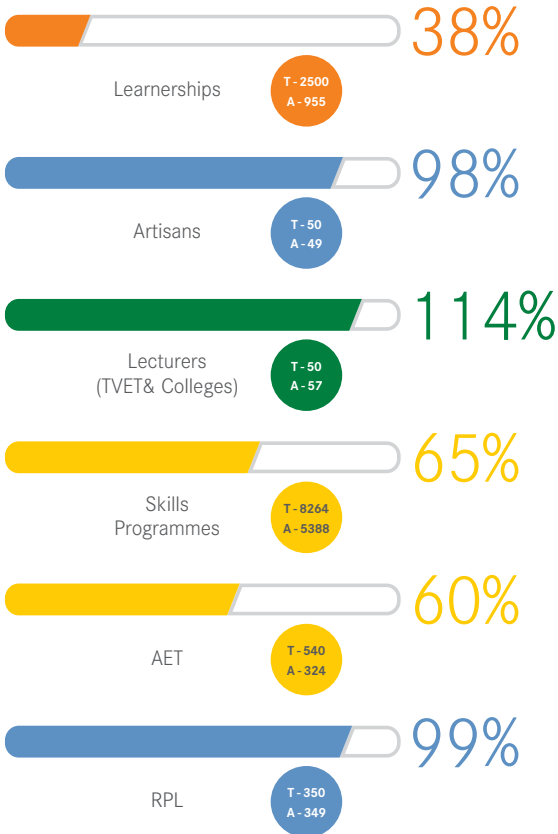


OVERALL WEIGHTED PERFORMANCE **90.3%**

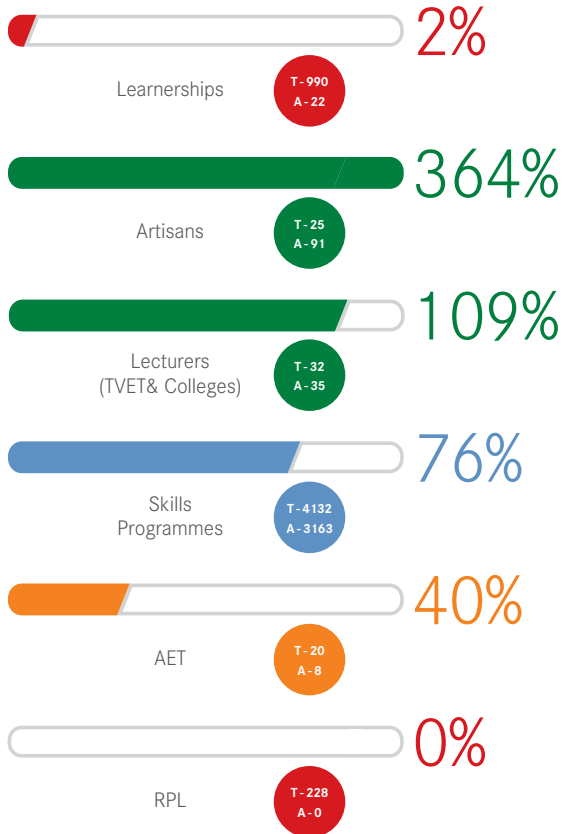
% ACHIEVEMENT AGAINST APP ANNUAL TARGETS

WORKERS SUPPORTED

ENTERED



COMPLETED



POST GRADUATE BURSARIES

Enrolled



Re-entered



Completed



UNDERGRADUATE BURSARIES

Enrolled



Re-entered



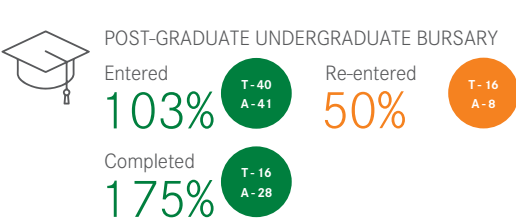
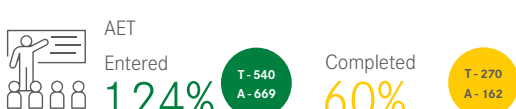
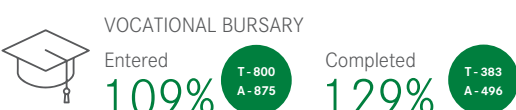
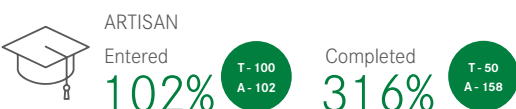
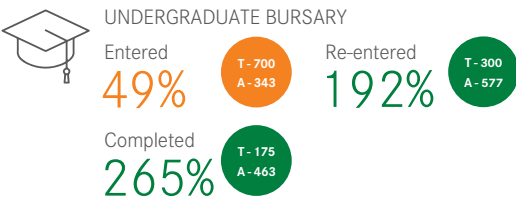
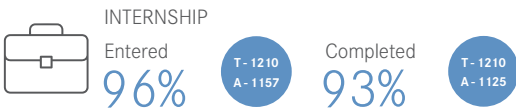
Completed



2021-2022 ANNUAL DASHBOARD

% ACHIEVEMENT AGAINST APP ANNUAL TARGETS

UNEMPLOYED PERSONS SUPPORTED



CAPACITY OF HWSETA, RESEARCH AND M&E

Monitoring, Evaluation and Impact studies conducted

125%

(T-4, A-5)

Career Development Awareness Programmes

1556%

(T-540, A-8402)

SSP update and Applied Research Reports

120%

(T-5, A-6)

Career Guidance Practitioners

100%

(T-15, A-15)

HWSETA positions filled

107%

(T-152, A-146)

Business processes automated

102%

(T-90%, A-92%)

BUSINESS SUPPORT, NGO/NPO, TRADE UNIONS SUPPORT



PROJECTS AND PARTNERSHIPS



QUALITY ASSURANCE

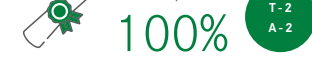
Skills Development Providers: Accredited



Certificated Learners



Occupational Qualifications Development



2021-2022 ANNUAL DASHBOARD

% ACHIEVEMENT AGAINST SLA ANNUAL TARGETS

Discretionary Grant Budget Allocated at Developing High Skills Level



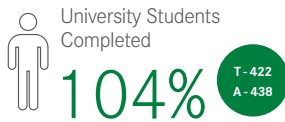
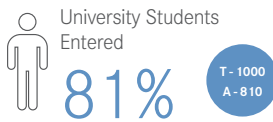
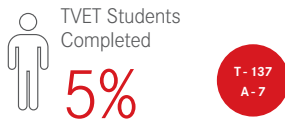
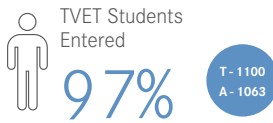
Discretionary Grant Budget Allocated at Developing Intermediate Skills



Discretionary Grant Budget Allocated at Developing Elementary Skills



WORK INTEGRATED LEARNING



INTERNSHIPS



SKILLS PROGRAMMES



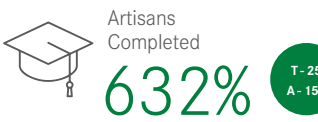
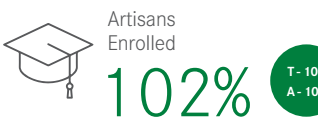
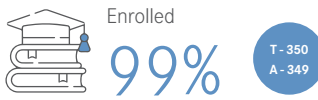
LEARNERSHIPS



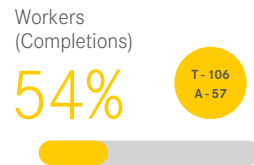
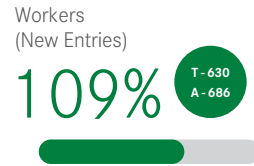
AET PROGRAMMES



RPL LEARNERS

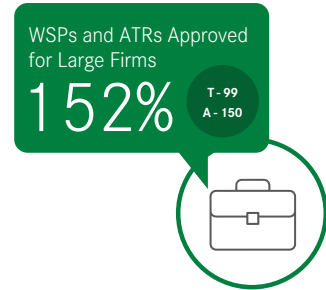
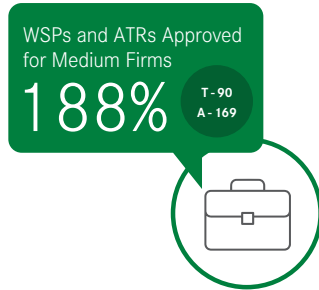


BURSARIES

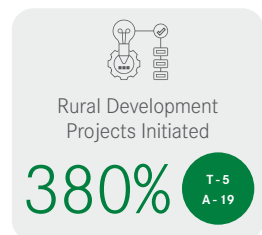
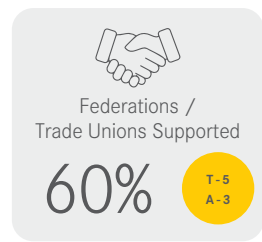
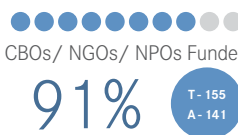
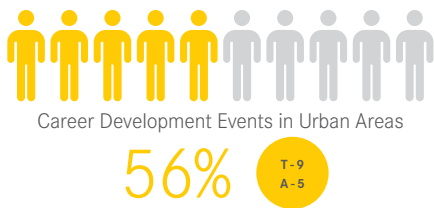
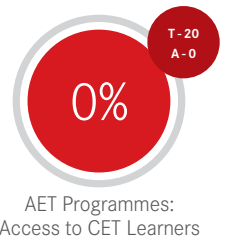
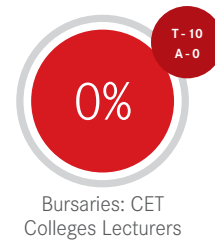
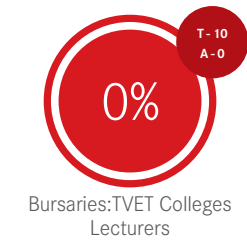
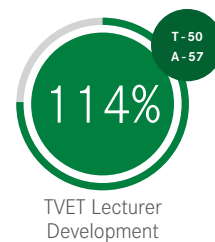
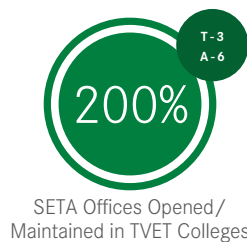
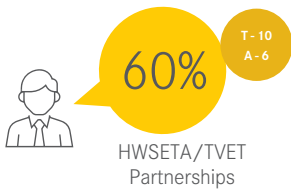


2021-2022 ANNUAL DASHBOARD

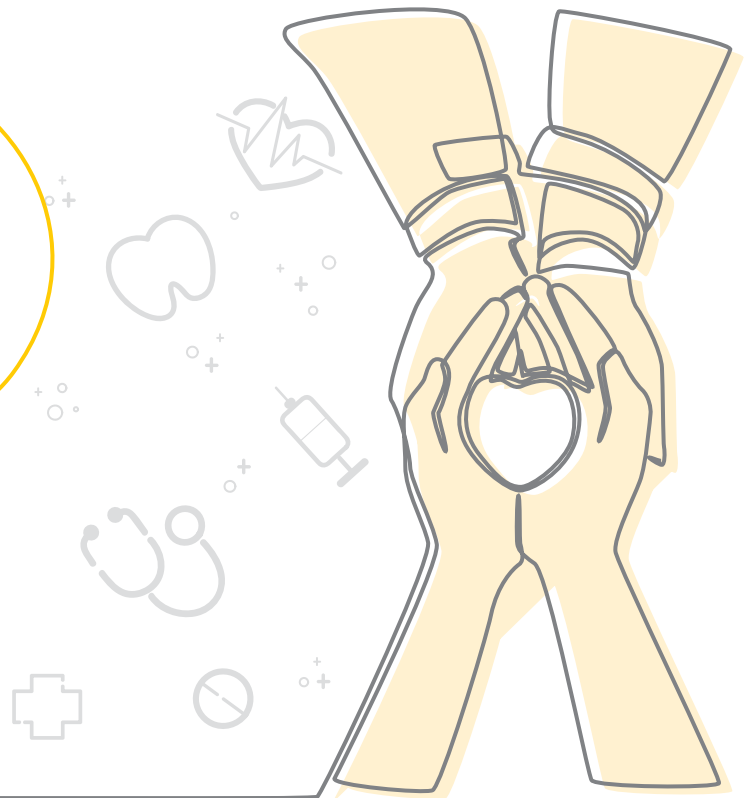
% ACHIEVEMENT AGAINST SLA ANNUAL TARGETS



PARTNERSHIPS



OVERVIEW OF THE HWSETA



The Health and Welfare Sector Education and Training Authority's (HWSETA) mandate is to facilitate, co-ordinate and monitor the implementation of the National Skills Development Plan (NSDP) 2030 in the Health and Social Development Sectors. The core principles are to:

- identify skills shortages in the sectors;
- support the development of the skills of employees in the sector; and
- improve the quality of life prospects and labour mobility of employees in the sector.

Skills development is a national priority in South Africa and a critical factor to the future success of the country. Meeting South Africa's skills needs requires input from numerous public and government institutions, as well as private organisations, no matter how big or small.

South Africa's economy is divided into functional sectors that are all represented by one of the 21 Sector Education Training Authorities (SETAs). In short, the HWSETA exists to drive skills development and act as an advisory body on the education, training and skills development requirements of the health and social development sectors, as well as the veterinary sector. Skills development is about changing people's lives, about enhancing their employability and about aligning skills to our economy. The health and social development sectors can be described as 'personal services industries' where services are both resource and time intensive. Effective delivery of these services depends on the availability of human resources with the appropriate skills.

The growing demand for health and social development services and the introduction of changes in the way these services are delivered to the public drive demand for the right type of skills and currently demand continues to outstrip supply.

The HWSETA exists to achieve the following within the health, social development and veterinary sectors:

- Develop and implement the Sector Skills Plan;
- Skills development planning, programmes and initiatives;
- Monitored education and training;
- Identify workplaces for practical work experience;
- Support and facilitate the development of the National Skills Development Plan;
- Disburse levies collected through approved mandatory and discretionary grants;
- Forge links with all stakeholders and relevant bodies in the sectors;
- Account for the effective and efficient use of public monies in line with the provisions of the Public Finance Management Act and other relevant legislation;
- Promote the employment of disabled persons, youth and women

NURSING STUDENTS GO HEAD TO-HEAD IN WORLD SKILLS COMPETITION

Prince Mshiyeni memorial Campus in KZN hosted the opening ceremony for the World Skills Competition. Healthcare workers in training who took part in the provincial competition, were competing for the chance to represent South Africa at the 46th International WorldSkills Competition, which was to be hosted in Shanghai, China this year. The provincial leg of the competition continued at North-West University's Mahikeng Campus on 17 and 18 February 2022.

During the WorldSkills provincial events, some of the brightest young nursing students were put through their paces in a variety of challenges to test their knowledge, understanding, and the specific skills that underpin international best practice in their vocational area. It was the first time South Africa competed in the health and social care category of the International WorldSkills competition, which is considered the 'skills olympics'.

In conjunction with WorldSkills SA, an initiative that is championed by the Department of Higher Education and Training, the HWSETA hosted the WorldSkills SA competition, in the disciplines of Health and Social Care.

"Supporting this competition category at an international level means supporting youth skills and increased international exposure to our learners, it is more than a competition. It is an opportunity to develop and inspire youth to master their skills," comments Elaine Brass, CEO for the HWSETA.

One of the competitors, Minenhle Nyali from Verulam, said the competition was challenging but enjoyable, "I felt very special to be chosen among so many students in the country to participate in the provincial competition and it has boosted my confidence. I'd really like to represent South Africa in the international competition ultimately, as I would gain a lot from other students from across the world."

The closing ceremony took place on 22 February 2022 at Netcare Parklane Hospital where the winners were announced. All the youth health workers that participated in the competition were awarded post graduate bursaries to further their studies and training for their driver's licenses from the HWSETA, whilst the four finalists were also guaranteed employment after their studies.

The 46th WorldSkills Competition will be hosted in Bordeaux, France in October 2022 featuring over 1,400 Competitors from more than 60 countries and regions, competing in over 60 skills.










PART B

PERFORMANCE INFORMATION





ANNUAL PERFORMANCE INFORMATION REPORT

Colour Code					
Progress in %	1% - 25%	26% - 50%	51% - 75%	76% - 99%	100% - >
Description of Classification	Annual target has not been achieved and strides made yielded moderate success by 31 March 2022.	Annual target has not been achieved and strides made yielded moderate success by 31 March 2022.	Annual target was almost achieved based on good progress made by 31 March 2022.	Annual target was almost achieved based on substantial progress made by 31 March 2022.	Annual target has been achieved or exceeded before or by 31 March 2022.

PROGRAMME 1: ADMINISTRATION

Programme 1: Output No. 18								
Impact Statement No. 1: The HWSETA has an established planning system, which guides skills planning and supports the production of persons qualifying to occupy such occupations in the health and welfare sector by 2030								
Outcome Statement No 1(2): The HWSETA delivers its mandate efficiently and effectively through its well capacitated organizational structure and business processes that are automated and integrated in the strategic period								
Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Achievement 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA is capacitated to deliver on its mandate and achieve its targets in the reporting period	18	Percentage of filled positions in the organizational structure of the HWSETA to facilitates the delivery of its mandate and achievement of its targets in the reporting period.	96% (146/152) 101%	96% (146/152) 101%	90%	96% (146/152) 107%	6%	The HWSETA strives to have a 100% staff complement annually, however terminations may occur towards the end of the reporting period and vacancies take time to fill. This therefore skews the data as the information is based on a defined date – financial year end. To ensure that this minimum threshold is met the HWSETA streamlined its recruitment processes to resolve any bottlenecks while simultaneously implementing retention strategies. This therefore yielded a good staff complement that is above the target by 6%.

Programme 1: Output No. 20

Impact Statement No. 1: The HWSETA has an established planning system, which guides skills planning and supports the production of persons qualifying to occupy such occupations in the health and welfare sector by 2030

Outcome Statement No 1(2): The HWSETA delivers its mandate efficiently and effectively through its well capacitated organizational structure and business processes that are automated and integrated in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Achievement 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA business processes are automated and integrated for effective delivery of services to the sector in the reporting period	20	Percentage of HWSETA business processes automated and integrated for efficient delivery of services to the sector in the reporting period	87% 87%	88% 88%	90%	92% 102%	2%	The business integration and automation plan for the year under review was implemented fully, as follows: All core business processes have been developed and deployed, i.e., SDP, ETQA, Finance. Legacy data-warehouse is in place and the reporting layer has been established. Phase 2 which involves the development of modules for Marketing, SCM, and Business Intelligence has commenced as planning is in the process of being re-evaluated. The modules have been integrated .

Programme 1: Output No. 15

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work-ready graduates for the health and welfare sector by 2030.

Outcome Statement No 2(4): The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted youths in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Achievement 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA makes career development services accessible to school and post-school youths ¹ , mainly from rural areas, in the reporting period	15(1)	The number of school and post-school youths, mainly from rural areas, reached through career development awareness programmes in the reporting period	11666 (58 events) 162%	8363 (11 events) 70%	540 (18 events)	8402 (14 events) 1556%	7862	The overachievement of the target is due to a hybrid model that is being used to reach learners. This is a combination of registration of learners on the Health and Welfare Careers Portal as well as in-person exhibitions. The relaxation of the Covid-19 regulations led to more events taking place and more learners viewing and registering on the Career Portal. This has resulted in the HWSETA far exceeding the annual target.

¹ Post school youth refer to those unemployed youth as defined in the Green paper on post school education. Post school youth includes those from rural and urban areas, and targeted groups, such as learners with disabilities, female, and black South African youths

PROGRAMME 2: SKILLS PLANNING AND IMPACT ASSESSMENT

Programme 2: Output No. 12								
Impact Statement No. 1: The HWSETA has an established planning system, which guides skills planning and supports the production of persons qualifying to occupy such occupations in the health and welfare sector by 2030								
Outcome Statement No 1(1): Research, monitoring, evaluation, and impact system of the HWSETA provide a credible-skills planning and evaluation system that ensures that its funding initiatives yield good impact in the strategic period								
Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The SSP updates and research reports produced by the HWSETA are confirmed ² and made accessible to internal and external stakeholders, as well as the general public, through various dissemination platforms in the reporting period.	12	Number of SSP updates and applied research reports ³ completed and confirmed by key stakeholders ⁴ in the reporting period.	5 100%	5 100%	5	6 120%	1	Five research reports and SSP update were completed and confirmed by key stakeholders in 2021-2022. The target has been overachieved due to the efficiency of the R&I sub-division in its delivery of the research agenda.

Programme 2: Output No. 5								
Impact Statement No. 1: The HWSETA has an established planning system, which guides skills planning and supports the production of persons qualifying to occupy such occupations in the health and welfare sector by 2030								
Outcome Statement No 1(1): Research, monitoring, evaluation, and impact system of the HWSETA provide a credible-skills planning and evaluation system that ensures that its funding initiatives yield good impact in the strategic period								
Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The monitoring, evaluation, and impact studies, including tracer studies, produced by the HWSETA, are confirmed by key stakeholders as measuring the performance of learning programmes and projects implemented by the HWSETA in the reporting period	5	Number of monitoring, evaluation, and impact studies, including tracer studies, completed and confirmed by key stakeholders as measuring the performance of learning programmes and projects implemented by the HWSETA in the reporting period	05	4 100%	4	5 125%	1	Five monitoring and evaluation reports were conducted, completed and confirmed in 2021-2022. The overachievement is due to increased number of evaluations that were conducted on COVID-19 projects funded by the HWSETA.

² SSP update and research reports produced by the HWSETA are confirmed by key stakeholders that they provide information about occupations in demand, skills needs and the education and training landscape for the sector

³ SSP updates and research reports produced by the HWSETA identify occupations in demand and skills needs in the sector, and aims to inform planning for skills development in the sector

⁴ Confirmation of SSP update and research reports by stakeholders refers to the presentation of findings to categories of people who participated in the study and are key to the implementation of the recommendations

⁵ This is a new indicator introduced by the NSDP (2030)

Programme 1: Output No. 6

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization.

Outcome Statement No 7: The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Workers in the health and welfare sector given bursaries by the HWSETA complete post-graduate qualifications funded by the HWSETA and are reported to the HWSETA within 12 months of completion in the reporting period	6(1)	Number of workers entered-into the HWSETA post-graduate bursaries in the reporting period	68 113%	76 127%	60	60 100%	0	The annual target has been achieved due to compliance of institutions that partnered with the HWSETA to the new model for Postgraduate Research programme.
	6(2)	Number of workers re-entered-into the HWSETA post-graduate bursaries in the reporting period	06	16 53%	24	5 21%	-19	The underachievement is due to the slow submission of documentation from the universities as this was exacerbated by working from home of their staff. Most of these performance units will reach HWSETA in Quarter 1 of the new financial year where they will be reported.
	6(3)	Number of workers reported to the HWSETA for having completed postgraduate qualifications funded by the HWSETA in the reporting period	10 22%	21 58%	24	35 146%	11	The annual target has been overachieved due to compliance by some institutions to the new model for Postgraduate Research programme.

6 This is a new indicator introduced by the NSDP (2030)

Programme 1: Output No. 27

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 8: The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Unemployed persons awarded bursaries by the HWSETA for post-school education complete the under-graduate and post-graduate qualifications and are reported to the HWSETA within 12 months of completion in the reporting period	27(1)	Number of unemployed persons entered-into the HWSETA post-graduate bursaries in the reporting period	65 163%	70 175%	40	41 103%	1	The annual target has been over-achieved due to compliance of institutions that partnered with the HWSETA to the new model for Postgraduate Research programme.
	27(2)	Number of unemployed persons re-entered-into the HWSETA post-graduate bursaries in the reporting period	07	19 190%	16	8 50%	-8	The underachievement is due to the slow submission of documentation from the universities as this was exacerbated by working from home of their staff. Most of these performance units will reach HWSETA in Quarter 1 of the new financial year where they will be reported.
	27(3)	Number of unemployed persons reported to the HWSETA as having completed post-graduate qualifications funded by the HWSETA in the reporting period	6 33%	11 46%	16	28 175%	12	The annual target has been overachieved due to compliance by some institutions to the new model for Postgraduate Research programme.

7 This is a new indicator introduced by the NSDP (2030)

PROGRAMME 3: SKILLS DEVELOPMENT PROGRAMMES AND PROJECTS

Sub-programme 3.1: Learning Programmes

Programme 3: Output No. 4								
Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization.								
Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required								
Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Employed apprenticeships and trainee technicians entered-into the HWSETA apprenticeship programme complete the programme and are reported to the HWSETA within 12 months of completion in the reporting period	4(1)	Number of employed apprentices and trainee technicians entered- into the HWSETA funded apprenticeship programme in the reporting period	34 113%	16 32%	50	49 98%	-1	The HWSETA targeted employers where unemployed learners were placed. These employers had seen the benefits of skills development and were encouraged to enroll their workers on apprenticeship. This was further coupled with the block release of learning enabling workers to be in the workplaces most of the time. The slight underachievement is a result of employers not able to identify potential apprentices on time for reporting, however there is commitment ` by employers to train their employees.
	4(2)	Number of employed apprentices and trainee technicians reported to the HWSETA as having completed apprenticeships funded by the HWSETA in the reporting period	0 0%	0 0%	25	91 364%	66	95 workers were exposed to artisanal training as a part qualification. This made it feasible for employers to release more workers for block training instead of the traditional education structure that required employers to release employees for a period of about a year which proved unaffordable.

Programme 3: Output No. 16

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work-ready graduates for the health and welfare sector by 2030.

Outcome Statement No 2(3): The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA supports public college lecturers to improve onsite practical and vocational capacity in the reporting period	16(1)	Number of lecturers from TVET and other public colleges ⁸ funded by the HWSETA for skills development in the reporting period	233 117%	36 72%	50	57 114%	7	The extension of the programme to Nursing, Agricultural and Emergency Medical Services Colleges increased interest and upgraded the skills of lecturing staff. This initiative raises the quality of health sciences education and enhances the skills in the training platform. Participants from Lillthra Nursing College and Gauteng Community College gained the necessary skills in teaching and learning using a variety of methodologies.
	16(2)	Number of lecturers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA in the reporting period	9 28%	0 0%	32	35 109%	3	The achievement of this target indicates that learners that entered the programme were able to finish within the year under review, this was due to the choice of programmes implemented and HWSETA Provincial staff pulling information from implementing employers.

⁸ Other Public Colleges comprise of Nursing Colleges, Emergency Services Colleges (EMS), and Agricultural Colleges (for Veterinary training) etc. These colleges are a priority to the HWSETA as they are colleges in the health welfare sector

Programme 3: Output No. 17

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work-ready graduates for the health and welfare sector by 2030.

Outcome Statement No 2(3): The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA supports public college students in vocational and occupational training in the reporting period	17(1)	Number of students from TVET and other public colleges funded by the HWSETA for vocational and occupational training in the reporting period	2317 56%	1279 167%	800	875 109%	75	During the year under review the HWSETA Board approved a change of strategy to give youth a chance to enter the workplace. The revised strategy provided much needed relief to young TVET College learners to gain real workplace experience. The overachievement is an indication of how the strategy was accepted by the sector. It is noted that learners that were on the streets with qualifications were taken into entry level employment which advances the objectives of the National Skills Development Plan and contributed to the reduction of youth unemployment.
	17(2)	Number of students from TVET and other public colleges reported to the HWSETA as having completed vocational and occupational training funded by the HWSETA in the reporting period	364 130%	88 5%	383	496 129%	113	The overachievement of this indicator is a result of commitments by employers that gave workplace experience to TVET College learners during the Covid 19 lockdown and associated regulations. The HWSETA encouraged employers in the health and welfare sectors to increase their intake of learners as the sector was expected to respond to the pandemic.

Programme 3: Output No. 7

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The unemployed graduates funded by the HWSETA for internships are reported to the HWSETA within 12 months of completion in the reporting period.	7(1)	Number of unemployed graduates entered into the internship programme funded by the HWSETA in the reporting period	1163 106%	1220 50%	1210	1157 96%	-53	The shortfall of 4% in the internships results from the timing of issuing academic results by universities which was late in the third quarter. Further, the discrepancy was necessitated by the employers identifying spaces late thereby recruiting candidates late. Graduates on the internship programme are making immediate impact in Government Departments where they are placed. It is noted that some find employment even before they finish the period of internship. This is observed in the social work graduates placed on internships.
	7(2)	Number of unemployed graduates reported to the HWSETA as having completed the internship programme funded by the HWSETA in the reporting period	218 27%	152 23%	1210	1125 93%	-85	The shortfall is caused by the late entry into the internship programme which is disproportional to the reporting period. Entries into the programme will complete the internship in the middle of the new financial year.

Programme 3: Output No. 26

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Unemployed apprentices and trainee technicians entered-into the HWSETA apprenticeship programme complete the programme and are reported to the HWSETA within 12 months of completion in the reporting period.	26(1)	Number of unemployed apprentices and trainee technicians entered- into the HWSETA funded apprenticeship programme in the reporting period	357 106%	123 123%	100	102 102%	2	In the year under review the HWSETA had a strategy to use apprenticeships as part of its rural development strategy. Selected rural areas were targeted where youth were recruited and linked to employers. This strategy raised hopes of those in rural areas that had no connections to workplaces. Further, an increased number of employers participated in selected trades that are critical in the health and welfare sector.
	26(2)	Number of unemployed apprentices and trainee technicians reported to the HWSETA as having completed apprenticeships funded by the HWSETA in the reporting period	122 102%	148 74%	50	158 316%	108	The overachievement on this target is a result of increased entry in the previous two years of apprenticeship training. Further, the resumption of trade tests that were suspended during lockdown assisted in getting more learners to complete.

Programme 3: Output No. 8

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization.

Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Workers from the health and welfare sector entered- into credit and non-credit bearing skills programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	8(1)	Number of workers entered- into credit and non-credit bearing skills programmes funded by the HWSETA in the reporting period	8264 100%	23280 134%	8264	5388 65%	-2876	Restrictions on gatherings prevented several statutory councils and professional associations from holding accredited conferences and workshops. This caused a shortfall in the implementation of approved skills programmes for workers. It is however expected that these will pick up in the new year as restrictions are relaxed. The most crucial skills programme implemented is the healthcare quality and patient safety programme implemented through Sefako Makgatho Health Sciences University in partnership with several provincial Departments of Health. This programme was implemented virtually thus ensuring greater participation. It is expected that this programme will contribute to healthcare quality improvement in the public sector.
	8(2)	Number of workers reported to the HWSETA as having completed credit and non-credit bearing skills programmes funded by the HWSETA in the reporting period	4618 77%	20289 410%	4132	3163 76%	-969	Completions for skills programmes are dependent on entries on the indicator 8(1). Restrictions on gatherings prevented the implementation of programmes thus having an effect downstream on completions. It is expected that these will pick up as more stakeholders implement skills programmes.

Programme 3: Output No. 3

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization.

Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Workers from the health and welfare sector with learnership agreements registered with the HWSETA as industry funded or HWSETA funded complete the learnership programmes and are reported to the HWSETA within 12 months of completion in the reporting period	3(1)	Number of workers whose learnership agreements are registered with the HWSETA as industry funded or HWSETA funded in the reporting period	3406 103%	1023 56%	2500	955 38%	-1545	Most learnerships in the sector are offered on a fulltime basis which means workers must be out of operations. In most cases these could not be replaced. With the introduction of online studies and promotion of part time learnerships, more employers will be able to enroll their workers into these work-based programmes.
	3(2)	Number of workers reported to the HWSETA as having completed learnership programmes registered with the HWSETA as industry or HWSETA funded in the reporting period	133 6%	0 0%	990	22 2%	-968	Completions have been low for workers due to low uptake in the previous years. The effects of Covid 19 are now realized as there was low uptake during lockdown and accompanying regulations. Completions are expected to pick up in the next financial years.

Programme 3: Output No. 6

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization.

Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Workers in the health and welfare sector given bursaries by the HWSETA complete under-graduate and post-graduate qualifications funded by the HWSETA and are reported to the HWSETA within 12 months of completion in the reporting period	6(4)	Number of workers entered-into the HWSETA undergraduate bursaries in the reporting period	712 123%	232 37%	630	686 109%	56	The HWSETA targeted previously underserved subsectors including Government Departments. This was a result of the stakeholder sessions held during the year under review. These sectors welcomed the opportunity and enrolled a substantial number of learners. Sectors that benefited include Community Health Workers within the Gauteng Department of Health. The impact of training for these workers will be seen in increased productivity and accurate data being collected upon completion.
	6(5)	Number of workers re-entered-into the HWSETA undergraduate bursaries in the reporting period	0 ⁹	0 0%	158	50 32%	-108	The low number of workers that re-entered into undergraduate bursaries is due to learners that started in the second semester of the year under review and will finish the academic year in the second semester of the new year. Further, workers do not take all the modules/courses to enable them to move to the next level due to the workload. They are normally register for few modules in order to cope.
	6(6)	Number of workers reported to the HWSETA for having completed undergraduate qualifications funded by the HWSETA in the reporting period	228 81%	19 18%	106	57 54%	-49	Completions have been low for workers due to low uptake in the previous years. The effects of Covid 19 are now realized as there was low uptake during lockdown and accompanying regulations. Completions are expected to pick up in the next financial years.

⁹ This is a new indicator introduced by the NSDP (2030)

Programme 3: Output No. 21

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization.

Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Workers from the health and welfare sector entered-into Adult Education and Training (AET) programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	21(1)	Number of workers entered- into AET programmes funded by the HWSETA in the reporting period	0 ¹⁰	0 0%	540	324 60%	-216	In the year under review the HWSETA targeted the Emergency Medical Services (EMS) sector to upskill their workers to enter the new EMS qualifications. It is noted that there is slow movement in the skilling of these workers and more work/ awareness needs to be done. In the new year the HWSETA will have specific programmes to attract participation of this sector.
	21(2)	Number of workers reported to the HWSETA as having completed AET programmes funded by the HWSETA in the reporting period	0 ¹¹	0 0%	20	8 40%	-12	Previously funded learners have not completed their training possibly due to the sector being affected by Covid 19. It is expected that more learners will complete their programmes as restrictions are relaxed.

¹⁰ This is a new indicator introduced by the NSDP (2030)

¹¹ This is a new indicator introduced by the NSDP (2030)

Programme 3: Output No. 27

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Unemployed persons awarded bursaries by the HWSETA for post-school education complete the under-graduate and post-graduate qualifications and are reported to the HWSETA within 12 months of completion in the reporting period	27(4)	Number of unemployed persons entered into the HWSETA undergraduate bursaries in the reporting period	512 	540 	700	343 	-357	Disruptions of the academic year and the cautious approach taken by Department of Basic Education and Higher Education Institutions due to the spread of Covid 19 resulted in the delay of students accessing bursaries. Further, increased funding by the National Students Financial Aid Scheme (NSFAS) gave students a choice in bursary programmes. Due to budgetary constraints the HWSETA bursary is lower than that of NSFAS and students opt for the NSFAS funding.
	27(5)	Number of unemployed persons re-entered into the HWSETA undergraduate bursaries in the reporting period	0 ¹²	182 	300	577 	277	In the previous years the HWSETA targeted programmes that were not funded and expensive. These included medical and veterinary degrees. The over-achievement is due to a higher number of students that passed than anticipated. As thus, these students required continued support into the next level of study.
	27(6)	Number of unemployed persons reported to the HWSETA as having completed undergraduate qualifications funded by the HWSETA in the reporting period	328 	374 	175	463 	288	Reporting by universities increased due to increased communication by HWSETA staff. Further, this is a result of partnerships with universities built over years and improved administrative practices of the HWSETA to record all completions.

¹² This is a new indicator introduced by the NSDP (2030)

Programme 3: Output No. 28

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The TVET, other colleges, and university students funded by the HWSETA for work integrated are reported to the HWSETA as having completed the programme within 12 months of completion in the reporting period.	28(1)	Number of TVET and other college students entered-into work integrated programmes funded by the HWSETA in the reporting period	1053 105%	768 77%	1100	1063 97%	-37	Learners entering work integrated learning improved during the year. More TVET Colleges participated although some came late. The shortfall is due to processes within TVET Colleges that did not allow meeting deadlines and conclusion of contracts.
	28(2)	Number TVET and other college students reported to the HWSETA as having completed the work integrated programmes funded by the HWSETA in the reporting period	137 17%	92 15%	500	7 1%	-493	The low number of completions recorded is due to TVET Colleges not reporting learners after completion of work integrated learning. In the next year Provincial Offices will be more involved and follow through on the paperwork needed for reporting.

Programme 3: Output No. 29

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Unemployed persons registered with the HWSETA as industry or HWSETA funded for learnership programmes are reported to the HWSETA within 12 months of completion in the reporting period.	29(1)	Number of unemployed persons whose learnership agreements are registered with the HWSETA as industry funded or HWSETA funded in the reporting period	4048 102%	2018 81%	2500	1955 78%	-545	The shortfall in achievement was due to late approval of funding applications by the HWSETA. The late approval was deliberate to allow learners that were affected by lockdown that were still in workplaces to finish. Further, this was done to avoid clogging workplaces with learners which could lower quality workplace training. It is expected that more learners will be accepted in these occupational programmes as the HWSETA will approve applications early and restrictions are relaxed.
	29(2)	Number of unemployed persons reported to the HWSETA as having completed learnerships registered with the HWSETA as industry or HWSETA funded in the reporting period	654 26%	330 14%	700	1394 200%	698	The overachievement of this target is a result of improved administrative measures put in place to accurately record the completions. Further, quality assurance bodies within SETAs improved as Covid 19 restrictions are relaxed.

Programme 3: Output No. 30

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Unemployed persons entered- into credit and non-credit bearing skills programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	30(1)	Number of unemployed persons entered- into skills programmes funded by the HWSETA in the reporting period	4048 	1946 	2500	1623 	-877	Restrictions on gatherings prevented employers from holding workshops and courses for the unemployed. This caused a shortfall in the implementation of approved skills programmes. It is however expected that these will pick up in the new year as restrictions are relaxed.
	30(2)	Number of unemployed persons reported to the HWSETA as having completed credit and non-credit bearing skills programmes funded by the HWSETA in the reporting period	1308 	1932 	1000	1745 	745	The overachievement of this target is a result of improved admirative measures put in place to accurately record the completions. Further, quality assurance bodies within SETAs improved as Covid 19 restrictions are relaxed.

Programme 3: Output No. 31

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Unemployed persons from the health and welfare sector entered-into Adult Education and Training (AET) programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	31(1)	Number of unemployed persons entered- into AET programmes funded by the HWSETA in the reporting period	1925 196%	325 60%	540	669 124%	129	The overachievement of this target is due to greater reach by the HWSETA through Community Education and Training Colleges. The Colleges gave opportunities to learners to upgrade their skills and matric results and enter occupationally directed programmes. This is crucial in the reduction of unemployment and assists learners to enter mid-level skills.
	31(2)	Number of unemployed persons reported to the HWSETA for having completed ¹³ AET programmes funded by the HWSETA in the reporting period	715 56%	32 11%	270	162 60%	-108	The low number of completions recorded is due to administrative problems in Community Colleges preventing timely reporting learners after completion of AET programmes. In the next year Provincial Offices will be more involved and follow through on the paperwork needed for reporting.

¹³ Completions are reported to the HWSETA within 12 months of having completed the funded programme

Programme 3: Output No.32

Impact Statement No. 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 4(1): The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The TVET, other colleges, and university students funded by the HWSETA for work integrated are reported to the HWSETA as having completed the programme within 12 months of completion in the reporting period.	32(1)	Number of university students entered-into work integrated programmes funded by the HWSETA in the reporting period	1096 181%	256 27%	1000	810 81%	-190	Learners entering work integrated learning improved during the year. More universities participated although some came late. The shortfall is due to processes within universities that did not allow meeting deadlines and conclusion of contracts.
	32(2)	Number university students reported to the HWSETA as having completed the work integrated programmes funded by the HWSETA in the reporting period	422 106%	352 97%	422	438 104%	16	Reporting by universities increased due to increased communication by HWSETA staff. Further, this is a result of partnerships with universities built over years and improved administrative practices of the HWSETA to record all completions.

PROGRAMME 3: SKILLS DEVELOPMENT PROGRAMMES AND PROJECTS**SUB-PROGRAMME 3.2: PARTNERSHIPS, PROJECTS, AND WSP****Programme 3: Output No. 1**

Impact Statement No. 5: The HWSETA contributes to the increased capacity of NGOs, NPOs, and Trade Unions to meet social and rural development needs South African Citizens by 2030.

Outcome Statement No 5(1): The HWSETA supports officials from NGOs, NPOs, and Trade Unions in order to strengthen governance and service delivery, and thus advance social, rural, and community development, as well as provisions for persons with disabilities in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA funds rural and provincial development projects in the health and welfare sector during the reporting period	1	Number of rural and provincial development projects funded by the HWSETA through grants to develop and address mid-level skills in the reporting period	15 375%	10 167%	7	19 271%	12	In the year under review the HWSETA focussed on contributing to rural development by targeting certain provinces and rural areas and linking their learners with workplaces in urban areas. As a result, more opportunities opened up and more employers were attracted with the funding linked to rural development.

Programme 3: Output No. 2

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work-ready graduates for the health and welfare sector by 2030.

Outcome Statement No 2(1): The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Employers in the sector open-up their workplaces for learning through partnerships with the HWSETA in the reporting period	2	Number of employers in the sector who open-up their workplaces for learning through partnerships with the HWSETA in the reporting period	325 210%	380 140%	271	348 128%	77	Through WSP and discretionary grant workshops coupled with stakeholder sessions more employers are participating in skills development. Provincial offices are finding new employers that add value to skills development in the sector.

Programme 3: Output No. 9

Impact Statement No. 6: The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030

Outcome Statement No 6(1): The HWSETA supports skills development for entrepreneurial and cooperative activities, as well as the establishment of new enterprises and cooperatives in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA fund skills development of cooperatives of the health and welfare sector during the reporting period	9	Number of cooperatives in the health and welfare sector whose skills needs are funded by the HWSETA per year	23 192%	8 27%	25	25 100%	0	The HWSETA focused on resourcing cooperatives as they are seen as contributing to local economies and are in all intent and purposes small businesses. They are capable of absorbing large number of people in rural areas

Programme 3: Output No. 10

Impact Statement No. 6: The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030

Outcome Statement No 6(1): The HWSETA supports skills development for entrepreneurial and cooperative activities, as well as the establishment of new enterprises and cooperatives in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA funds skills development of small and emerging businesses of the health and welfare sector during the reporting period	10	Number of small and emerging businesses from the health and welfare sector whose skills needs funded by the HWSETA per year	158 100%	160 101%	158	161 102%	3	In the year under review the HWSETA focused on resourcing small businesses. The initiatives that were advertised resulted in oversubscription of this indicators. However due to limited budget only 161 companies were funded.

Programme 3: Output No. 11

Impact Statement No. 5: The HWSETA contributes to the increased capacity of NGOs, NPOs, and Trade Unions to meet social and rural development needs South African Citizens by 2030.

Outcome Statement No 5(1): The HWSETA supports officials from NGOs, NPOs, and Trade Unions in order to strengthen governance and service delivery, and thus advance social, rural, and community development, as well as provisions for persons with disabilities in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA funds the skills development of officials from NGOs, NPOs and Trade Unions during the reporting period	11(1)	Number of officials from NGOs and NPOs funded by the HWSETA for skills development per year	0 ¹⁴	159 111%	85	141 166%	56	The overachievement on this indicator is a result of a targeted approach targeting critical skills around Governance and ethics within the NGO sector. Several provinces showed interest resulting in the restriction on the number of NGO officials allowed to participate. In the next 3 years this initiative will be scaled up to reach more NGOs.
	11(2)	Number of officials from Trade Unions funded by the HWSETA for skills development per year	0 ¹⁵	110 180%	73	81 111%	8	During the year under review the HWSETA expanded its support to worker education and included all trade unions organising in the health and welfare sector. Several trade unions enrolled their administrative staff into HWSETA funded programmes aimed at good management and improved response by trade unions to its members. Further the programmes aimed at enabling participating trade union to meet conditions and requirements for their registration with the Department of Employment and Labour.

¹⁴ This is a new indicator introduced by the NSDP (2030)

¹⁵ This is a new indicator introduced by the NSDP (2030)

Programme 3: Output No. 13

Impact Statement No. 6: The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030

Outcome Statement No 6(1): The HWSETA supports skills development for entrepreneurial and cooperative activities, as well as the establishment of new enterprises and cooperatives in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
Support of interventions required to increase the level of skills of the health and welfare sector workforce by the HWSETA in the reporting period	13(1)	Number of WSPs and ATRs approved for Small firms per year	207 40%	1445 328%	524	1389 265%	865	Through WSP and stakeholder sessions held more employers are participating in skills development. Provincial offices are finding new employers that add value to skills development in the sector.
	13(2)	Number of WSPs and ATRs approved for Medium firms per year	41 46%	178 274%	90	169 188%	79	Through WSP and stakeholder sessions held more employers are participating in skills development. Provincial offices are finding new employers that add value to skills development in the sector.
	13(3)	Number of WSPs and ATRs approved for Large firms per year	35 42%	142 143%	99	150 152%	51	Through WSP and stakeholder sessions held more employers are participating in skills development. Provincial offices are finding new employers that add value to skills development in the sector.

Programme 3: Output No. 14

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization

Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA supports skills development priorities of the Department of Social Development and Health in the reporting period	14	Number of projects funded through discretionary grants aimed at public sector education and training in the reporting period	10 250%	16 107%	10	11 110%	1	Budget cuts, Covid 19 and increased awareness amongst Government Departments meant officials had to look for more sources of funding for training. This presented the HWSETA with an opportunity to increase its support in the public sector by supporting critical skills needs. One of the critical areas where the HWSETA supported the Department of Social Development to implement its Gender Based and Femicide strategy. In this initiative 100 youth were trained and deployed in hot spots making a huge impact.

Programme 3: Output No. 22

Impact Statement No. 5: The HWSETA contributes to the increased capacity of NGOs, NPOs, and Trade Unions to meet social and rural development needs South African Citizens by 2030.

Outcome Statement No 5(1): The HWSETA supports officials from NGOs, NPOs, and Trade Unions in order to strengthen governance and service delivery, and thus advance social, rural, and community development, as well as provisions for persons with disabilities in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA funds the skills development initiatives of levy exempt organisations in the reporting period	22	Number of levy exempt organisations whose skills development initiatives are supported by the HWSETA in the reporting period.	178 115%	59 656%	170	179 105%	9	In the year under review the HWSETA focused on resourcing the levy exempt sector with much needed skills. The initiatives that were advertised resulted in oversubscription of this indicators. However due to limited budget only 179 companies were funded.

Programme 3: Output No. 23

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work-ready graduates for the health and welfare sector by 2030.

Outcome Statement No 2(1): The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA supports partnerships ¹⁶ with post-school education institutions, professional Councils, employer bodies, and communities of practice; in order to facilitate work-based learning opportunities in the sector in the reporting period	23	The HWSETA supports partnerships ¹⁷ with post-school education institutions, professional Councils, employer bodies, and communities of practice; in order to facilitate work-based learning opportunities in the sector in the reporting period	42 467%	39 144%	27	40 148%	13	At the heart of the HWSETA strategy are partnerships both in the public and private sector. Further, during the year under review the HWSETA established partnerships with several statutory bodies enabling them to implement skills development initiatives. Chief among the partnerships is the partnership with the South African Veterinary Council and the South African Veterinary Association on mentorship programme. This programme proved popular and has immediate impacts.

PROGRAMME 4: QUALITY ASSURANCE AND QUALIFICATION DEVELOPMENT**Programme 4: Output No. 15**

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work ready graduates for the health and welfare sector by 2030

Outcome Statement No 2(4): The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted unemployed youths in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA makes career development services accessible to school and post-school youths ¹⁸ , mainly from rural areas, in the reporting period	15(2)	Number of career guidance practitioners funded for training by the HWSETA in the strategic period	0 ¹⁹	0 0%	15	15 100%	0	The achievement is based on a strategy that targeted lecturers to be trained on quality assurance programmes that enhanced and completed their occupations which capacitated them to engage and provide guidance to learners.

¹⁶ Partnerships are entered into through Memorandums of Agreement and/or Memorandums of Understanding

¹⁷ Partnerships are entered into through Memorandums of Agreement and/or Memorandums of Understanding

¹⁸ Post school youth refer to those unemployed youth as defined in the Green paper on post school education. Post school youth includes those from rural and urban areas, and targeted groups, such as learners with disabilities, female, and black South African youths

¹⁹ This is a new indicator introduced by the NSDP (2030)

Programme 4: Output No. 19

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work ready graduates for the health and welfare sector by 2030

Outcome Statement No 2(2): The HWSETA provides quality assurance services for the health and welfare sector to ensure quality in occupational education and training in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA accredits skills development providers, and issue certificates for learners found competent in the reporting period	19(1)	Number of skills development providers accredited and re-accredited ²⁰ by the HWSETA in the reporting period	58 242%	70 100%	58	73 126%	15	The HWSETA relies on applications submitted by SDPs and is not in control of how many applications are received per annum.

Programme 4: Output No. 19

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work ready graduates for the health and welfare sector by 2030

Outcome Statement No 2(2): The HWSETA provides quality assurance services for the health and welfare sector to ensure quality in occupational education and training in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA accredits skills development providers, and issue certificates for learners found competent in the reporting period	19(2)	Number of certificates issued by the HWSETA to learners found competent by skills development providers ²¹ and then confirmed by HWSETA in the reporting period	8086 139%	3746 114%	2500	5224 209%	2724	The target has been overachieved due to a large number of certificates issued which relate to training that commenced before the COVID-19 pandemic. The HWSETA receives applications for verifications from SDPs and is not in control of how many learners are trained in the sector per annum.

²⁰ The accreditation and re-accreditation includes, both, primary and secondary accreditation by the HWSETA

²¹ These skills development training providers are accredited by the HWSETA

Programme 4: Output No. 24

Impact Statement No. 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work ready graduates for the health and welfare sector by 2030

Outcome Statement No 2(2): The HWSETA provides quality assurance services for the health and welfare sector to ensure quality in occupational education and training in the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The HWSETA develops full and part occupational qualifications relevant to occupations in the sector in the reporting period.	24	Number of full and part occupational qualifications developed by the HWSETA and accepted by the QCTO for registration	0 0%	4 100%	2	2 100%	0	The annual target has been achieved as two qualifications were developed, completed and submitted to the QCTO for registration. The following are the qualifications: Advanced Occupational Certificate: Occupational Health and Safety Practitioner at NQF level 5 National Certificate: Occupational Health and Safety Officer at NQF level 4

Programme 4: Output No. 25

Impact Statement No. 3: The HWSETA contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employers, and/or career progression either through promotion within the same organization or appointment in a higher position or appointment in a higher position by another organization

Outcome Statement No 3(1): The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Performance 2019-2020	Audited Actual Performance 2020-2021	Planned Annual Target 2021-2022	Actual Achievement 2021-2022	Deviation from Planned Target to Actual Achievement 2021-2022	Reasons for Deviation
The health and welfare sector workers entered into the HWSETA Recognition of Prior Learning (RPL) complete the programme and are reported to the HWSETA within 12 months of completion.	25(1)	Number of workers enter into the HWSETA RPL programme per year	578 152%	357 102%	350	349 99%	-1	During the year under review the HWSETA facilitated a partnership between its stakeholders to implement RPL programme for the learners employed by the Gauteng Department of Health. This partnership promotes RPL and enables experienced workers to use their experience in the workplace to gain a qualification. This is the cornerstone of the NQF Act.
	25(2)	Number of workers who complete the HWSETA RPL programme and are reported to the HWSETA within 12 months of completion	0 ²²	305 134%	228	0 0%	-228	Completions were not reported due to delays in the uptake of learners into this programme as this occurred in quarter 4 which made it no possible to have completions by financial year end.

²² This is a new indicator introduced by the NSDP (2030)

TESTIMONIAL OF ALISTAIR NAIDOO, MSc STUDENT FUNDED BY HWSETA

Allow me to briefly introduce myself; my name is Alistair Naidoo, an MSc student studying at the University of the Free State. My journey in tertiary education started in 2017, after matriculating from Northern Cape High the year before. Amongst various others, my primary objective at the end of my studies had been to emerge as an educated professional with qualities such as accountability, integrity, and perseverance, thus making me a valuable asset to the health and veterinary sectors.

Concerning my progress this far, I am currently completing my Masters in genetics, and can modestly state that I am on course to meet my aims. However, this might have not been the case, as during my Bachelor of Science (BSc) in genetics and physiology my family encountered financial difficulties. At that point, my academic career looked to be in jeopardy, and would have ended there were it not for the HWSETA.

The HWSETA provided me with an opportunity to complete my BSc honours in genetics. My case is an example of how important the HWSETA is in the role of skills development and education in our community.

This letter was written to acknowledge the impact of the HWSETA and show my gratitude to those who have played a part in my career development and progress. I strongly believe that my journey with the HWSETA does not end here.





(a) STRATEGY TO OVERCOME AREAS OF UNDER-ACHIEVEMENT



PROGRAMME 2: Universities will be requested by the end of the year to identifying funded students who will be continuing with their studies in the next academic year so that they can be re-entered into the post-graduate bursary programme in January or February.

PROGRAMME 3: Full qualifications will be offered in parts to workers so as to make it possible for employers to release their workers for training as employers could not afford to release workers for prolonged periods of time in order to attend training. Also, all completions will be collected and reported timeously. Pipeline approach will be used for bursary students to ensure that students are funded for the duration of the entire qualification as these span for multiple years.

PROGRAMME 4: Learners will be entered earlier on in the financial year into the RPL programme to allow for the assessments to be conducted and completed before the end of the financial year. This will make it possible to have assessment that are completed and thus reported against the indicator that measures completions for the RPL programme.



(b) REPORTING IN INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget Programme	Intervention	Geographic Location		Number Of Beneficiaries	Total Budget Allocation	Budget Spent	Contribution To The App	Immediate Outcome (Planned)
		Local Municipality	District Municipality					
Internship	Internship (Pharmacy Technician)	Nyandeni, Bizana, KSD	OR Tambo	11	R660 000	R660 000	7(1)	Employment
Learnership	Learnership (Nursing)	Nyandeni, KSD, Mhlontlo, Ngquza Hill, OR Tambo, Qaukeni, Port St Johns	OR Tambo	44	R2 332 000	R2 332 000	3(1) &29(1)	Employment
Learnership	Learnership (NC: Pharmacist Assistant)	Ingquza Hill, KSD, Nyandeni, OR Tambo	OR Tambo	6	R318 000	R318 000	3(1) &29(1)	Employment
Learnership	Learnership (FETC: Pharmacist Assistant)	KSD, Mhlontlo, Nyandeni, Quakeni, Ingquza Hill, Bizana	OR Tambo	45	R2 385 000	R2 385 000	3(1) &29(1)	Employment
Internship	Internship (Pharmacy Technician)	OR Tambo, KSD, Nyandeni, iNgquza Hill	OR Tambo	12	R720 000	R720 000	7(1)	Employment
Learnership	Learnership (Nursing)	KSD, iNgquza Hill, Nyandeni, OR Tambo, Mhlontlo, Ntabankulu	OR Tambo	27	R1 431 000	R1 431 000	3(1) &29(1)	Employment
Learnership	Learnership (Child & Youth Care Work)	KSD	OR Tambo	20	R1 060 000	R530 000	3(1) &29(1)	Employment
Learnership	Learnership (Social Auxiliary Work)	KSD	OR Tambo	30	R1 590 000	R795 000	3(1) &29(1)	Employment
WIL	TVET WEG	KSD	OR Tambo	1	R72 000	R0,00	28(1)	Obtain Qualification
Learnership	Learnership (Health Promotion Officer)	Ingquza Hill	OR Tambo	17	R901 000	R0,00	3(1) &29(1)	Employment
Internship	Intership	KSD	OR Tambo	2	R120 000	R0,00	7(1)	Employment
WIL	TVET WEG	KSD	OR Tambo	3	R216 000	R0,00	28(1)	Obtain Qualification
Graduate Programme	Internship	KSD	OR Tambo	5	R300 000	R0,00	7(1)	Employment

Budget Programme	Intervention	Geographic Location		Number Of Beneficiaries	Total Budget Allocation	Budget Spent	Contribution To The App	Immediate Outcome (Planned)
		Local Municipality	District Municipality					
WIL	TVET WEG	KSD	OR Tambo	10	R720 000	R0,00	28(1)	Obtain Qualification
Learnership	Learnership (Child & Youth Care)	Mhlontlo	OR Tambo	3	R159 000	R0,00	3(1) &29(1)	Employment
Learnership	Learnership (Social Auxiliary Work)	Mhlontlo	OR Tambo	3	R159 000	R0,00	3(1) &29(1)	Employment
WIL	Internship	KSD	OR Tambo	1	R72 000	R72 000	7(1)	Obtain Qualification
WIL	TVET WEG	KSD	OR Tambo	5	R362 813	R0,00	28(1)	Obtain Qualification
WIL	TVET WEG	Port St John's	OR Tambo	2	R145 125	R0,00	28(1)	Obtain Qualification
WIL	TVET WEG	Mhlontlo	OR Tambo	5	R362 813	R0,00	28(1)	Obtain Qualification
WIL	TVET WEG	KSD	OR Tambo	1	R72 563	R0,00	28(1)	Obtain Qualification
Internship	Internship	Mhlontlo	OR Tambo		R4 157 993	R0,00	7(1)	Not yet commenced
Bursary	Vocational Bursary	Mhlontlo	OR Tambo	120	R10 270 000	R0,00	17(1)	Obtain Qualification
Learnership	Learnership (Nursing)	KSD	OR Tambo	10	R530 000	R0,00	3(1) &29(1)	Employment
Internship	Internship	Mhlontlo, KSD	OR Tambo	4	R288 000	R0,00	7(1)	Employment
WIL	TVET WEG	Qawukeni, KSD, Mhlontlo	OR Tambo	7	R504 000	R0,00	28(1)	Employment
WIL	TVET WEG	KSD, Qawukeni, iNgquza Hill	OR Tambo	39	R2 808 000	R2 808 000	28(1)	Employment
				433	R32 716 307	R12 051 000		

OVERVIEW OF THE **HWSETA** PERFORMANCE



(A) SERVICE DELIVERY ENVIRONMENT

Covid-19 had devastating effects on the economy of South Africa so much so that the financial year for 2021-2022 commenced with the country geared towards implementing the Economic Reconstruction and Recovery Plan. The objectives of this plan were to:

- Create jobs, primarily through aggressive infrastructure investment and mass employment programmes
- Reindustrialise the economy, focusing on growing small businesses
- Accelerate economic reforms to unlock investment and growth;
- Fight crime and corruption; and
- Improve the capability of the state

The role of the post-school education sector cut across the above objectives as it was tasked with ensuring that the country has a sufficient number of skilled labour with requisite skills. The Department of Higher Education and Training therefore developed a skills strategy which specified the role each of its entities would have to play to ensure the sufficient number of skilled labour with requisite skills. The year was therefore dedicated at crafting the skills strategy and formulating implementation strategies. The HWSETA ensured that its strategy and annual performance plan for 2022-2023 were aligned to the skills strategy as this will be the first year of implementation.

In 2021-2022 the health and social development sector continued its fight against Covid-19 as the pandemic was still a reality of the day. The HWSETA supported a number of Covid-19 projects and also focused on skills development projects that would yield job opportunities in support of the ERRP. As thus, the HWSETA has been able to reach a performance level of **90,3%** of its annual targets of the 2021-2022 APP.



(i) Performance of the HWSETA in Achieving Workplace-based learning, Bursary, and Occupationally based Programmes

The HWSETA targeted to fund a total of **23 605** students in its APP of 2021-2022 through the following programmes:

- Workplace-based learning programs, that include learnerships, apprenticeships, TVET College Placement, University Student Placement, internships for graduates.
- Bursary programmes, that include under-graduate, post-graduate, and vocational student bursary programmes;
- Occupationally based programmes, that include Adult Education and Training (AET), Lecturer Development, Recognition of prior learning, Trade Union Members, and NGO sector workforce and skills programmes.

A total of **17 956** learners were funded through the workplace-based learning programs, Bursary programs and skills-based programmes. Of the **17 956** learners, **6 798 (38%)** learners were entered into workplace-based learning programmes; **2 756 (15%)** were entered into bursaries programmes; **8 402 (47%)** were entered into skills-based training programme.

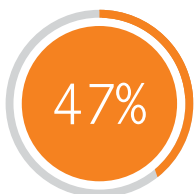


WORKBASED LEARNING PROGRAMMES

(Learnership, Internship, apprenticeship, TVET work- integrated learning, University work-integrated learning)

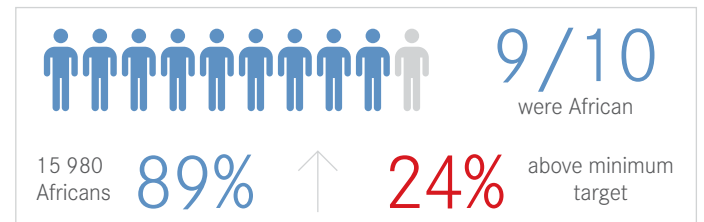
(ii) Performance of the HWSETA in supporting the South African National Transformative and Redress Priorities

The HWSETA set the following targets in its APP for 2021-2022 with the aim to support the South African national transformative and redress priorities for race, people from rural areas, youth, women, and disability.



SKILLS-BASED TRAINING PROGRAMS

(RPL, AET, lecturer development, Trade Union members, NGO workforce, Skills)

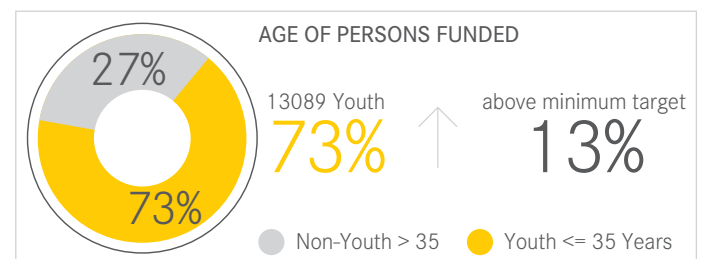


The race profile of learners funded in 2021-2022 consisted of **15 832 (89%)** Africans. This achievement is above the minimum targeted of 65% by 24%.



BURSARIES PROGRAMMES

(Undergraduate, postgraduate and vocational)

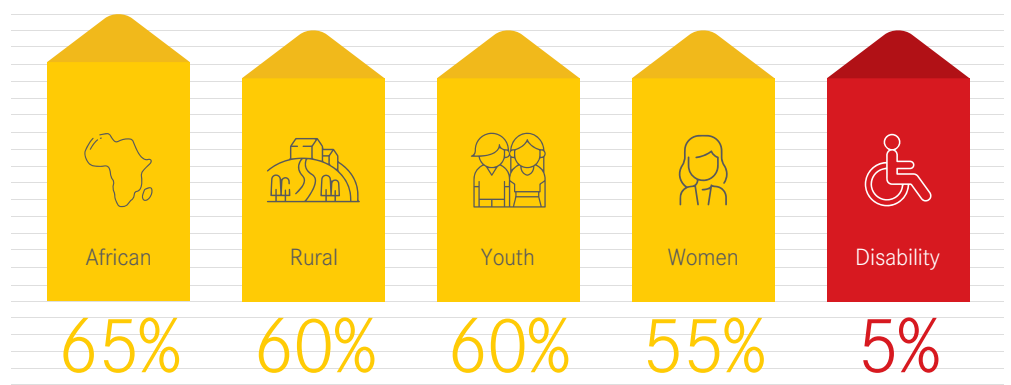


The age profile of learners funded by the HWSETA in 2021-2022 consisted of **73% youth**. This achievement is above the minimum target of 60% by 13%.

Of the **17 956** learners, **8643** were employed (**48%**) while **9313 (52%)** were unemployed.

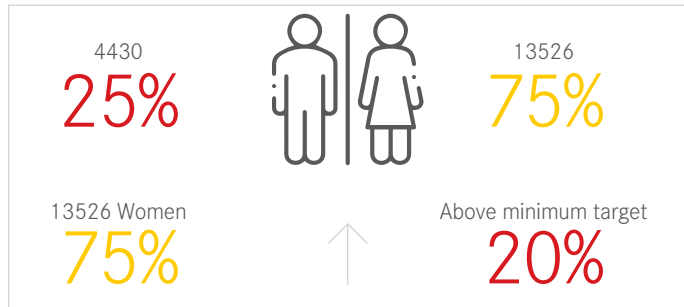
TARGETS FOR TRANSFORMATIONAL AND REDRESS IMPERATIVES
(race, rural, women, youth, and people with disabilities)

- All targets for learners
- Both employed and Unemployed



The gender profile of learners funded by the HWSETA in 2021-2022 consisted of 75% women. This achievement is above the minimum target of 55% by 20%.

The disability profile of learners funded by the HWSETA in 2021-2022 consisted of 1,7% of people with disabilities. This achievement has a shortfall of 3,3% from the targeted 5%.



These students were funded and trained through a total of **580** partnerships with **348** employers; **14** Government Departments, **40** post-school education institutions; and **178** levy-exempt organisations.

The geographical profile of learners funded by the HWSETA in 2021-2022 consisted of 68% of people that come from provinces that have the most rural area, with KwaZulu-Natal having the highest number of learners. The provinces that were included in the analysis as having the most rural areas included Eastern Cape, Limpopo Province, KwaZulu-Natal, Mpumalanga, Northern Cape and Free State. This achievement is above the minimum target of 60%

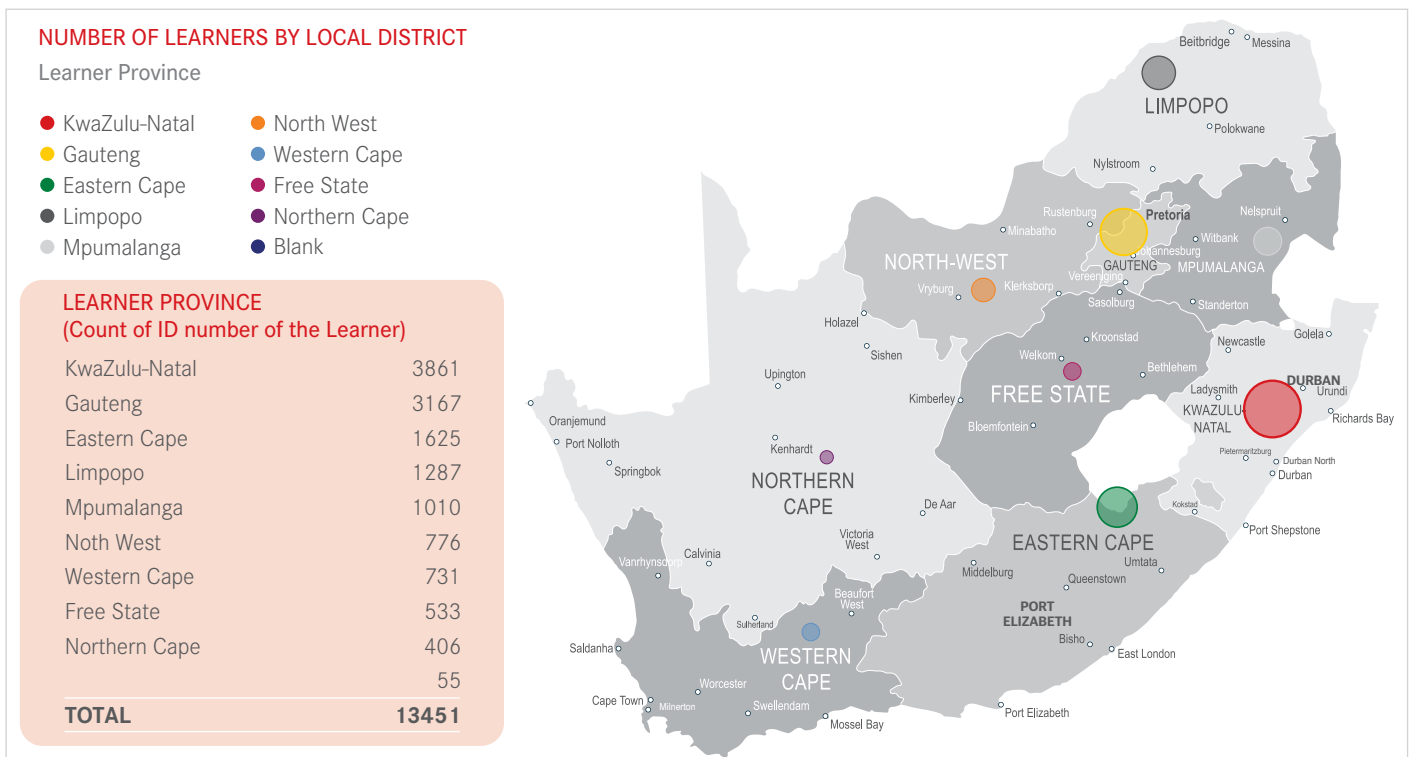


Figure 1: Distribution of all the funded learners by province.

FINANCIAL IMPLICATIONS

Although most funded employed learners originate from Gauteng, 56% (2589) of the employed learners funded originated from provinces that have the most rural areas.

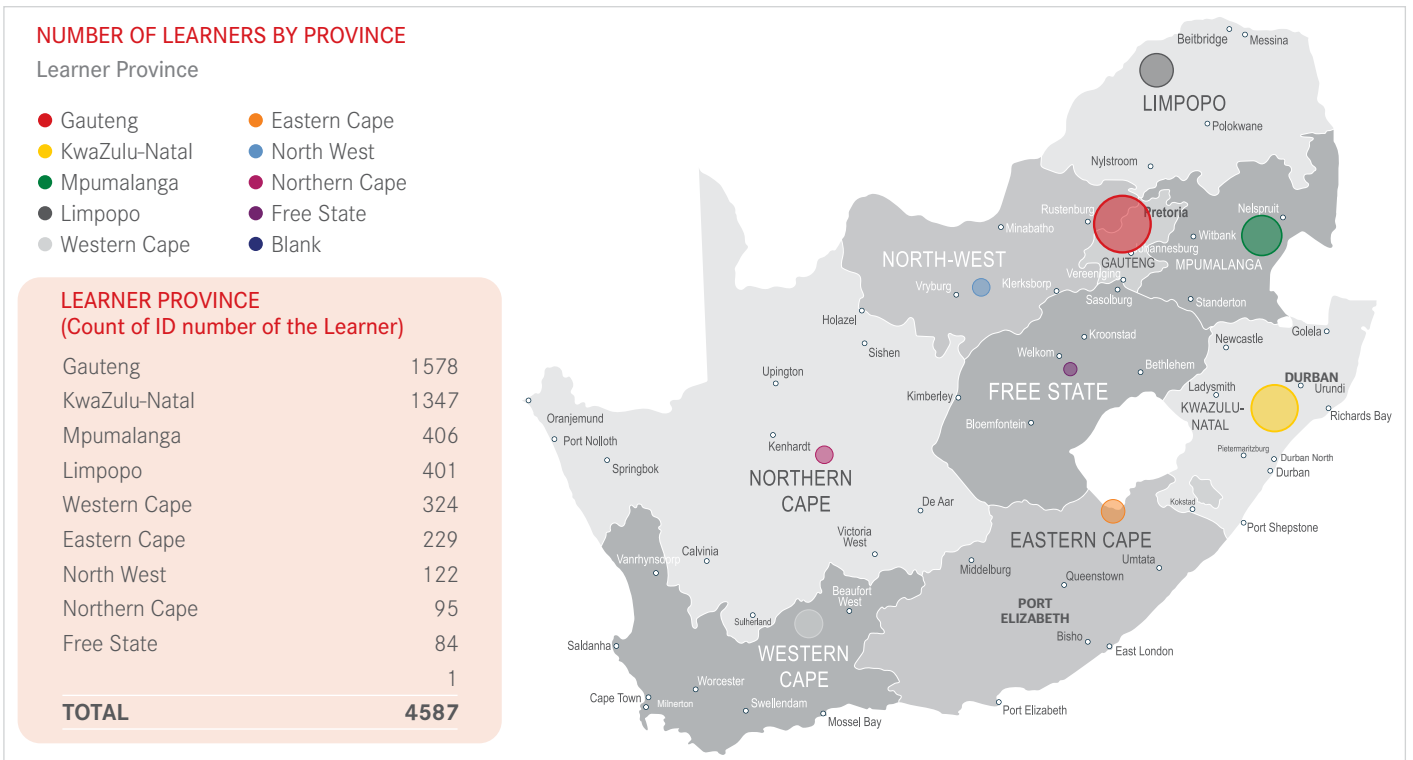


Figure 2: Distribution of employed funded learners by province.

In addition, the HWSETA funded 6503 (73%) unemployed learners that originated from provinces that have the most rural areas.

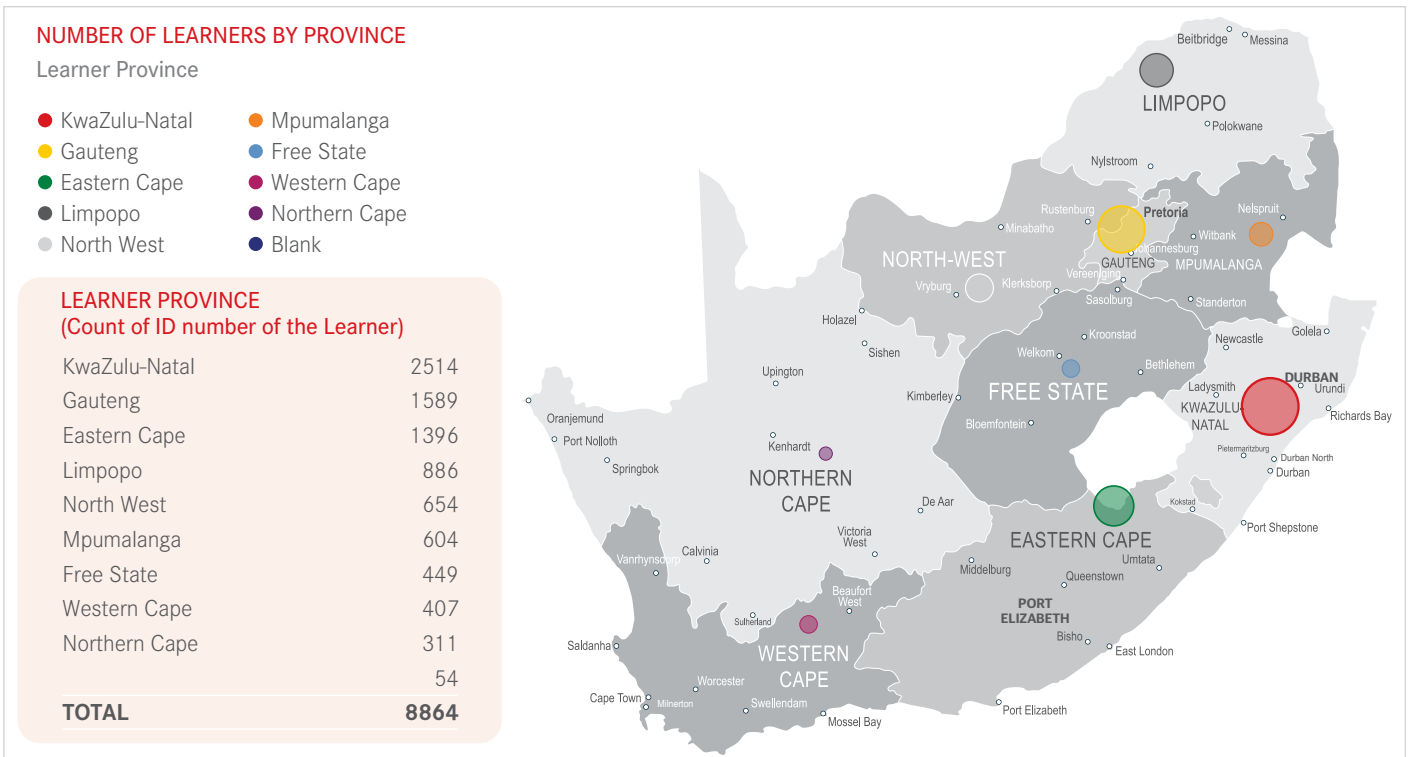
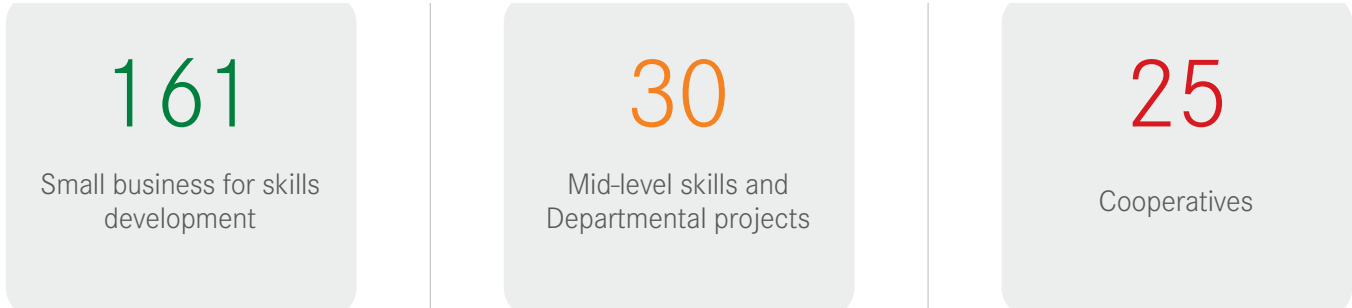


Figure 3: Distribution of the unemployed funded learners by province.

Some learners could not be classified due to inaccurate addresses entered. Going forward, the HWSETA will be able to strengthen its data collection processes through its ERP by making mandatory fields for demographic data, including districts and municipalities.

Furthermore;

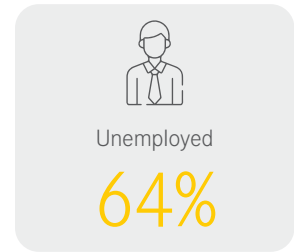
- the HWSETA funded a total of **161** Small Businesses for skills development; **30** Mid-level skills and Departmental projects; and 25 Cooperatives.



- Completions from prior year entries, which were reported by employers during the year under review were a total of **10 008**, of which:
 - 3 386 (34%)** were workers and **6 622(64%)** were unemployed persons.



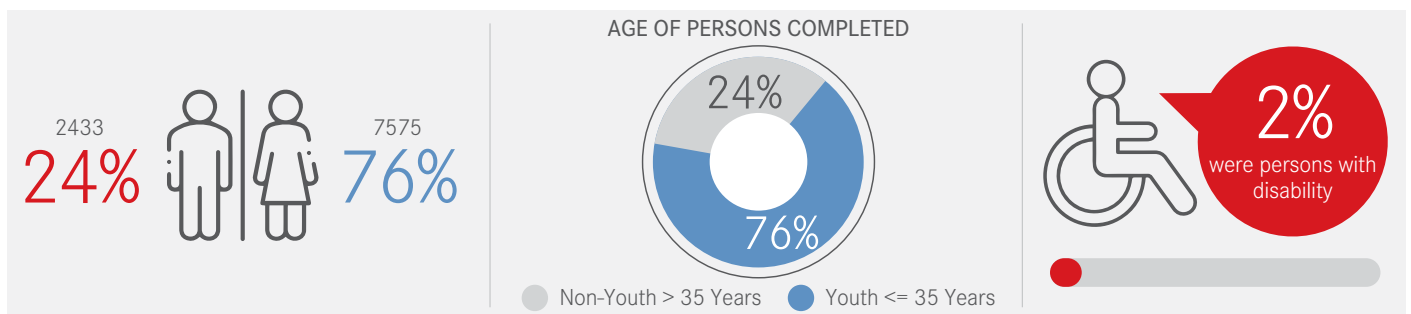
10 008
Completions from prior year entries



- 8 758 (94%)** were African



- 7 575 (76%)** were females and **2 433(24%)** were males; **6 843 (76%)** were youth; **219 (2%)** were persons with disabilities;



The majority of completions were from learners that have completed skills-based training programs (57%), followed by work-based learning programmes (33%) then bursary program (10%). The skills-based training programs offers short-courses to the workers hence the increase in number of completions. On the contrary, work-based learning and bursary programs have a longer training period. Overall, there was an increase in achievement for completions compared to prior years and this is due to effectiveness of the systems that were in place.



WORKBASED LEARNING PROGRAMMES

(Learnership, Internship, apprenticeship, TVET work-integrated learning, University work-integrated learning)



BURSARIES PROGRAMMES

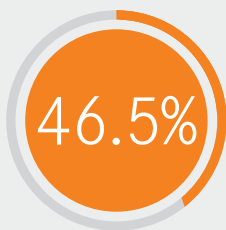
(Undergraduate, postgraduate and vocational)



SKILLS-BASED TRAINING PROGRAMS

(RPL, AET, lecturer development, Trade Union members, NGO workforce, Skills)

The employment rate derived from a track a trace study of learners that completed learning programmes in 2020 and 2021 is **46.5%**.



Employment rate derived from a track a trace study of learners that completed learning programmes in 2020 and 2021.

(j) Organisational Environment

The 2021-2022 financial year was the second year of the Covid-19 pandemic and the country continued to be under the National State of Disaster. For most part of this financial year (9 months), the country was under level 1 and 2 lockdown restrictions, and most post-school education institution continued to work remotely. Employers in the sector still grappled with the effects of Covid-19 and therefore could not release their staff for skills training for prolonged periods of time. This affected the training of workers in the sector so much that the HWSETA had to restructure its training modalities to be in the form of block release for one to two weeks at a time instead of workers being away from work for months. This assisted the HWSETA to achieve 58% (14/24) of its worker education targets and making good progress on achieving 42% (10/24) of these targets, achieving them at a median performance level of 45%.

Operations for skills development were decentralised fully to the provincial offices of the HHWSETA as a result performance information was generated at the provincial offices and reporting came from these offices. The Head office retained the planning functions, monitoring of implementation, management of commitments, verification and consolidation of performance information from the 9 provincial offices.

(k) Key Policy Developments and Legislative Changes

The key policy developments for the HWSETA involved:

- The Draft Skills Strategy: Support for the South African Economic Reconstruction and Recovery Plan (ERRP); and also
- The Draft Sector Strategy for Employment of Social Service Professionals.

The Draft Skills Strategy: Support for the South African Economic Reconstruction and Recovery Plan was implemented while still in draft because of the urgent response that was required from Government to deal with the economic crisis faced by the Country. The draft strategy set out key interventions that aimed at ensuring the effective implementation of the ERRP. It is intended to ensure that skills are not constrained to economic development and therefore proposes interventions and actions that address occupational shortage and skills gaps in the labour market. Most importantly, the strategy supports the implementation of the ERRP in ways that both maximise opportunities for new entrants to the labour market and promote the preservation of existing jobs and the creation of new jobs. The draft skills strategy was embedded in the strategic plan and APP for 2022-2023.

The sector strategy for employment of social service professionals (SSP) was designed by the National Department of Social Development to leverage and strengthen the employment of social service professionals across the country. The sector strategy aims to address the current unemployment of social service professionals across the country. The strategy identifies around 9000 social service professionals that are unemployed and seeks Government Departments and Entities to join forces in addressing the challenge of unemployed SSPs. The HWSETA funded a number of these SSPs on its work experience programme and will continue to do so in the next financial years. Also, SSPs will be capacitated through partnerships with universities to form social enterprises and thus create jobs for other SSPs. This will be implemented in 2022-2023.

2.4.1 PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

This was the second year of implementing the strategic plan for 2020-2025. This plan mapped out 6 impact statements which are broken down to 10 outcome statements and these are measured through 33 outcome indicators. Progress towards the achievement of the 5-year targets is monitored through monitoring and evaluation studies. During the 2021-2022, 23 of the 33 (70%) outcomes indicators were measured through monitoring and evaluation studies. The following is a narration of progress that has been measured towards the achievement of 5-year outcome targets:

Impact Statement 1: The HWSETA is fully established and has a planning system, which guides skills planning and supports the production of persons qualifying to occupy such occupations in the health and welfare sector by 2030.

Outcome statement 1: The HWSETA delivers on its mandate efficiently and effectively through its well capacitated organizational structure and automated business processes in the strategic period

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
The Percentage of stakeholders of the HWSETA confirming that the HWSETA delivers on its mandate efficiently and effectively in the strategic period.	80%	43%	A Stakeholder Satisfaction Survey was conducted in 2021-2022 and results yielded an efficiency level of 43,25% and effectiveness level of 42,09%. Overall, therefore the HWSETA achieved an average efficiency and effectiveness level of 43%.

A structured stakeholder satisfaction survey was conducted in 2021-2022. All stakeholders of the HWSETA were stratified as different cohort and these comprised, Skills Development Providers, Skills Development facilitators, Employers, Service Providers, etc. Also, stakeholders responsible for legislative compliance will be interviewed in 2022 and results will be included in this report to conclude on the level of effectiveness of the HWSETA to deliver on its mandate. Recommendations will be monitored for implementation and the next stakeholder satisfaction survey will be conducted in 2023-2024.

Outcome statement 2: The HWSETA provides a credible skills planning, research and evaluation system that ensures that its funding initiatives yield good impact in the strategic period

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
The extent of the relevance of the SSP and research reports produced by the HWSETA to the research outputs stipulated by the National Skills Development Plan (2030) and the framework for SSPs (2019) in the strategic period	80%	89%	The DHET peer reviews the SSP to check its alignment to the research outputs stipulated in the NSDP (2030)
Percentage of monitoring and evaluation recommendations that are implemented by the key stakeholders in the strategic period	80%	85%	Recommendations made on M&E studies conducted in 2019-2020 were implemented in 2020-2021. Those that had not been implemented by financial year end will be implemented in 2021-2022
The percentage of the unemployed who find employment after completing learning programmes funded by the HWSETA in the strategic period.	60%	46.5%	A tracer study was conducted on unemployed learners that completed learning programs funded by the HWSETA through learnerships, bursaries, artisans and internships. The overall employment rate yielded by tracer study conducted in 2020-2021 was 60%, and the one yielded by the 2021-2022 study was 33%. This therefore results in an average employment rate of 46.5% over the two years of the strategic period.

The DHET measures the relevance of the SSP of each SETA through an evaluation process that is conducted annually on each SSP update. The SSP updated conducted in 2021-2022 was measured to have 89% rate of relevance to the NSDP (2030). Research reports produced contribute to the SSP as an input and their relevance to the NSDP (2030) was not individually measured. Research reports produced in 2021-2022 will have their relevance to the NSDP (2030) measured so that progress can be reported against this outcome indicator comprehensively.

A recommendation register from monitoring and evaluation studies conducted each year on programmes and projects of the HWSETA is maintained. The implementation of these recommendations is monitored every six months to ensure utilisation of monitoring and evaluation studies. By the end of 2021-2022 the implementation of M&E recommendations was at 85%, which is an over-achievement of the 5-year target. It should be noted however that this target is a cumulative percentage counted over the 5-year strategic period. The remaining 15% is as a result of M&E studies that were concluded by financial year end of 2021-2022, which therefore could not be implemented within the period under review. This outstanding percentage is expected to be implemented by mid-year of 2022-2023.

The HWSETA conducts track and trace studies on unemployed learners that complete learnerships, apprenticeships, internships, and university undergraduate degrees annually. The response rate that is required for the track and trace study is 60%. The track and trace study conducted in 2020-2021 managed to get a response rate of 60% and the one conducted in 2021-2022 yielded an employment rate of 33%, resulting in an average employment rate of 46.5%. The response rate is always a limitation to these studies therefore multi-methods of data collection will be utilised to increase the response rate.

Impact Statement 2: The HWSETA contributes to the development of the post-school system that produces increasing productive workers and work-ready graduates for the health and welfare sector by 2030.

Outcome statement 3: The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period.

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Percentage of employers who partner with the HWSETA to place learners in work-based training positions in the strategic period.	80%	40%	Employers who partnered with the HWSETA to place learners in workplace-based training included 161 small and emerging businesses; 348 small, medium and large firms; and also 178 levy exempt organisations. Therefore, a total of 687 organisations partnered with the HWSETA. Organisations that submitted their WSPs and were approved were 1708, as thus, 40% of these employers partnered with the HWSETA in 2021-2022.
Percentage of post-school education institutions, professional and employer bodies, and communities of practice who partner with the HWSETA for the education and training of learners funded by the HWSETA in the strategic period	80%	53%	In South Africa, there are 50 TVET Colleges and 26 universities. The HWSETA partnered with 40 post-school education and training institutions. This constitutes 53% of post-school education and training institutions.

Databases of employers were cross-tabulated to check the percentage of employers that participate in workplace based training against those that submit the Workplace Skills Plans. Also, post-school education institutions with specific faculties that offer health and social development learning programmes, and even a list of post-school education learning programmes available in South Africa were documented or mapped out to gauge the actual percentage of post-school education institutions that participate in skills development initiatives of the HWSETA.

Outcome statement 4: The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted youths in the strategic period.

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Number of learners from rural school exposed to career awareness services in the strategic period.	21270	2740	Only 13% of the 5-year target was achieved in 2021-2022 due to learners that register on the career portal who do not indicate where they are coming from. This will be strengthened going forward.
Percentage of learners exposed to career awareness services who enter-into HWSETA funded learning programmes in the strategic period	80%	10%	10% of the 5year target was achieved as the career portal was launched in 2021-2022. Additional bursaries will be offered in 2022-2023.
Number of career guidance practitioners funded by the HWSETA who offer their services to rural areas in the strategic period	68	Undetermined	A survey will be conducted on career guidance practitioners funded by the HWSETA for training whether they do offer training in schools that are in the rural areas.

An innovative intervention to reach school pupils for career awareness was developed by the HWSETA. This was a career guidance portal which offered online information to learners, which was launched on 9 March 2021. A total of 8 402 learners were reached through the career guidance portal. However, only 2740 learners who accessed the career portal could be confirmed to be from rural areas. Going forward the career portal will request for the province and town learners are from to determine whether they are from rural areas.

Outcome statement 5: The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period.

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Increased number of lecturers whose performance in teaching improves due to skills development initiatives funded by the HWSETA in the strategic period.	80	19	A survey measuring increased skills of lecturers that were funded in 2020-2022 was conducted in 2021-2022 and 19 lectures were identified to have improved performance due to the skills development initiatives of the HWSETA.

This survey will be conducted in 2022-2023 on the 35 lectures that completed training in 2021-2022. Finding from this survey will be added on the achievement reported against outcome indicator 5.

Outcome statement 6: The HWSETA provides quality assurance services for the health and welfare sector that ensures quality in occupational education and training in the strategic period.

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Number of occupational qualifications developed by the HWSETA which are confirmed by the sector to be relevant to occupations on high demand in the strategic period	8	0	Two qualifications were developed in 2021-2022. Track and trace study of learners trained through these qualifications will be used to confirm the relevance of these qualifications to occupations as a proxy indicator. Employers will also be interviewed about the relevance of these qualifications in 2023-2024.

In 2021-2022, 2 qualifications were developed. These qualifications will have first intakes in 2022-2023 and throughput may be yielded in 2023-2024. Track and trace study will therefore be conducted in 2023-2024 coupled with a survey to confirm the relevance of these qualifications with employers.

Impact Statement 3: The HWSETA Contributes to the improved level of skills for 80% of the workforce within the health and welfare sector by 2030, which is evidenced by higher productivity of employees, and/or career progression either through promotion within the same organization or appointment in a higher position by another organisation

Outcome statement 7: The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Number of workers who progress to higher positions of employment after successful completion of learnerships funded by the HWSETA in the strategic period	1485	Undetermined	A Track and trace study for workers will be conducted on all workers whose training was funded by the HWSETA in 2022-2023
Number of workers who progress to higher positions of employment after successful completion of apprenticeships funded by the HWSETA in the strategic period	75	Undetermined	A Track and trace study for workers will be conducted on all workers whose training was funded by the HWSETA in 2022-2023
Number of workers who progress to higher positions of employment after successful completion undergraduate degrees funded by the HWSETA in strategic period	159	Undetermined	A Track and trace study for workers will be conducted on all workers whose training was funded by the HWSETA in 2022-2023
Number of workers who progress to higher positions of employment after successful completion post-graduate degrees funded by the HWSETA in strategic period	36	Undetermined	A Track and trace study for workers will be conducted on all workers whose training was funded by the HWSETA in 2022-2023
Number of workers with increased levels of critical skills after successfully completing skills programmes funded by the HWSETA in the strategic period	6 198	Undetermined	A survey measuring increased skills of workers that were funded in 2020-2022 will be conducted in 2022-2023
Number of workers who obtain full qualifications after going through the process of recognition of prior learning funded by the HWSETA in the strategic period	342	68	20% of the outcome target has been met. A Track and Trace study for workers that had undergone the Recognition of Prior Learning Assessment in 2021-2022 will be conducted to identifying learners that actually obtained full qualifications through RPL in 2022-2023.
Number of workers who obtain formal qualifications after successfully completing AET programmes funded by the HWSETA in the strategic period	660	Undetermined	Track and trace study for workers that were funded for AET programmes will be conducted in 2022-2023 to track learners that actually complete their AET programmes and then map progression taken by these students.

Track and trace studies for identifying workers that progress to higher positions require to be given a period of at least a year after completion to realise such a progression. This means that workers that completed in 2021-2022 will be tracked in 2022-2023. Progress towards the 5year targets against the above outcome indicators will be determined in quarter 4 of 2022-2023 (this will include learners that completed in quarters 1 to 3 of 2021-2022).

Impact Statement 4: The HWSETA contributes to the reduction of hard to fill vacancies in the health and welfare sector by 2030**Outcome statement 8: The HWSETA contributes to increased access, by the unemployed into occupationally directed programmes of the health and welfare sector in the strategic period.**

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Increased number of unemployed persons who find employment after successfully completing learnership programmes funded by the HWSETA in the strategic period	1400	483	Progress made in 2021-2022 towards meeting the 5year target reached 34.5% of the target. 483/1400 (34.5%) unemployed persons funded for learnerships found jobs six months after completing their qualifications. Another track and trace study will be conducted in 2022-2023 and learners that completed in quarter 4 2021-2022 and quarters 1 to 3 of 2022-2023 will be followed.
Increased number of unemployed persons who find employment after successfully completing apprenticeship programmes funded by the HWSETA in the strategic period	150	85	Progress made in 2021-2022 towards meeting the 5year target reached 57% of the target. 85/150 (57%) unemployed persons funded for apprenticeships found jobs six months after completing their qualifications. Another track and trace study will be conducted in 2022-2023 and learners that completed in quarter 4 2021-2022 and quarters 1 to 3 of 2022-2023 will be followed.
Increased number of unemployed persons who find employment after successfully completing undergraduate programmes funded by the HWSETA in the strategic period	262	135	Progress made in 2021-2022 towards meeting the 5year target reached 51.5% of the target. 354/262 (51.5%) unemployed persons funded through bursaries for university undergraduate programmes found jobs six months after completing their qualifications. Another track and trace study will be conducted in 2022-2023 and learners that completed in quarter 4 2021-2022 and quarters 1 to 3 of 2022-2023 will be followed.
Increased number of unemployed persons who find employment after successfully completing internship programmes funded by the HWSETA in the strategic period	915	226	Progress made in 2021-2022 towards meeting the 5year target reached 25% of the target. 226/950 (25%) unemployed persons funded for internships found jobs six months after completing their internship programmes. Another track and trace study will be conducted in 2022-2023 and learners that completed in quarter 4 2021-2022 and quarters 1 to 3 of 2022-2023 will be followed.
Number of unemployed persons who obtain their TVET College qualification after successfully completing TVET College Work Integrated (WIL) Learning programmes funded by the HWSETA in the strategic period	685	142	Progress made in 2021-2022 towards meeting the 5year target reached 21% of the target. 142/685 (21%) students that completed TVET Work Integrated Learning (WIL) were tracked and confirmed through self-disclosure. Additional cohorts will be tracked to confirm completion of studies. TVET Colleges will be requested to provide this information.
Number of unemployed persons who obtain their university qualifications after successfully university Work Integrated (WIL) Learning programmes funded by the HWSETA in the strategic period	1211	204	Progress made in 2021-2022 towards meeting the 5year target reached 17% of the target. 204/1211 students that completed University Work Integrated Learning (WIL) were tracked and confirmed through self-disclosure. Additional cohorts will be tracked to confirm completion of studies. Universities will be requested to provide this information.

Number of unemployed persons who find employment after successfully completing vocational programmes funded by the HWSETA in the strategic period	572	Undetermined	Track and trace study for the unemployed did not include students funded through vocational bursaries mainly because the support that was given was not for the entire programme. In 2022-2023 the HWSETA will track learners that actually complete their vocational qualifications and then identify those that find jobs at least six months after completing their qualifications.
Number of unemployed persons who find employment after successfully completing vocational programmes funded by the HWSETA in the strategic period	572	Undetermined	Track and trace study for the unemployed did not include students funded through vocational bursaries mainly because the support that was given was not for the entire programme. In 2022-2023 the HWSETA will track learners that actually complete their vocational qualifications and then identify those that find jobs at least six months after completing their qualifications.
Number of unemployed persons who find employment after successfully completing post-graduate programmes funded by the HWSETA in the strategic period	90	35	Progress made in 2021-2022 towards meeting the 5year target reached 39% of the target. 35/90 students that completed post-graduate degrees were tracked and confirmed through self-disclosure.
Number of unemployed persons who find jobs after successful completion of skills programmes funded by the HWSETA in the strategic period	1500	32	Progress made in 2021-2022 towards meeting the 5year target reached 2% of the target. 32/1500 students that completed skills programmes were tracked and confirmed through self-disclosure.
Number of unemployed persons who obtain formal qualifications after successfully completing AET programmes funded by the HWSETA in the strategic period	405	Undetermined	Track and trace study for the unemployed did not include students funded for AET programmes mainly because the support that was given was not for the entire programme. In 2022-2023 the HWSETA will track learners that actually complete their AET programme and then map progression taken by these students.

Track and trace studies for identifying unemployed persons that find work after completion require to be given a period of at least six months to find jobs after completions. This means that unemployed persons that completed in quarter 1 to 3 2021-2022 were tracked in March 2022. Track and trace studies for unemployed persons focused mainly on students that completed learnerships, apprenticeships, internships and qualifications funded by the HWSETA through undergraduate and post graduate bursaries. Progress made in achieving 5year outcome targets for these outcome indicators ranges between 2%-57%.

Unemployed persons that completed learning programmes funded by the HWSETA through vocational bursaries and AET programmes were not tracked mainly because the HWSETA did not support entire programmes. Students funded through vocational bursaries and for AET programmes will first be followed-up to check whether they completed the whole programme or qualification and then progression will be mapped.

Impact Statement 5: The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030.

Outcome statement 9: The HWSETA supports skills development for entrepreneurial and cooperative activities, as well as the establishment of new enterprises and cooperatives in the strategic period

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Increased number of small and emerging businesses exposing their employees to skills development participating in the strategic period	174	161	This was the second year of implementation of the strategic plan and already 92.5% of the 5-year target has been met. Database analysis will be conducted to compare the number of small businesses that submit WSPs and those that participate in skills development initiatives of the HWSETA.
Increased in the number of health and welfare sector large, medium, and small firms submitting WSPs to the health and social development sector in the strategic period	784	1708	This was the second year of implementation of the strategic plan and already 218% of the 5-year target has been over-achievement. Database analysis will be conducted to compare the number of levy paying and non-levy paying employers that actually submit WSPs. Also, a database analysis will be conducted on non-levy paying. This will show the level of participation of employers on skills development.
Number of cooperatives skills development initiatives that yield the desired outcomes in the strategic period	10	10	This was the second year of implementation of the strategic plan 2020-2025, therefore outcomes could not be measured against this outcome indicator.

The 5year target for small businesses that participate in skills development initiatives of the HWSETA is cumulative over 5years, which means that each small business will be counted once irrespective of how many times over the years each business participates. The HWSETA will endeavour to identify small businesses that submit WSPs but do not participate in skills development initiatives of the HWSETA and will encourage them to participate so that the 5year target can be achieved and over-achieved.

The 5year target for large, medium, and small firms that submit WSPs to the HWSETA is cumulative over 5years, which means that each firm will be counted once irrespective of how many times over the years it submits. The HWSETA will endeavour to identify firms that pay the skills levy but do not submit WSPs to the HWSETA and will encourage such firms to submit their WSPs so that the 5year target can be achieved and over-achieved.

Impact Statement 6: The HWSETA contributes to increased capacity of NGOs, NPOs and Trade Unions to meet social and rural development needs of South African Citizens by 2030

Outcome statement 10: The HWSETA supports officials from NGOs, NPOs, and Trade Unions in order to strengthen governance and service delivery, and thus advance social, rural, and community development in the strategic period

Outcome Indicators	5-year Target	Actual Achievement 2021-2022	Comment on Actual Achievement and Deviations
Increased number of levy exempt organisations exposing their employees to skills development participating in the strategic period	100	179	This was the second year of implementation of the strategic plan and already the target has been over-achieved. Database analysis will be conducted to compare the number of levy exempt organisations that submit WSPs and those that participate in skills development initiatives of the HWSETA.
Increased number of trade union officials exposed to skills development programmes in the strategic period	350	192	This was the second year of implementation of the strategic plan and already 55% of the 5-year target has been met. A survey will be conducted to find out the relevance of skills development training union officials are exposed to and also assess whether the skills needs of these officials are met.

Progress has been made towards achieving the above 5year targets. The HWSETA will encourage more levy exempt organisations to participate in skills development initiatives of the HWSETA.

2.4.1 PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

(C) DESCRIPTION OF EACH PROGRAMME

PROGRAMME 1: ADMINISTRATION

Purpose:	This programme is responsible for the overall strategic management and support to the HWSETA operations divisions. The goal of this programme is to ensure that the HWSETA is well-positioned and capacitated to deliver on its targets. This programme cuts across a number of divisions and functional areas including Finance, which incorporates procurement and grants management, Corporate Services, which incorporates Human Resource Management, Information Technology and Marketing.
Institutional Outcomes	<p>The HWSETA delivers its mandate efficiently and effectively through its well capacitated organizational structure and business processes that are automated and integrated in the strategic period</p> <p>The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted youths in the strategic period</p>

PROGRAMME 2: SKILLS PLANNING AND IMPACT ASSESSMENT

Purpose:	The HWSETA has configured this programme to include two sub-divisions, namely Research and Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The HWSETA utilizes this programme to implement skills planning related projects that include development and update of the sector skills plan, research leading to a better understanding of the dynamics surrounding sectoral labour market, production of new knowledge in the sector and development of new researchers in the sector. This programme also implements the vital and timeous evaluation and impact assessments of projects and programmes implemented by the HWSETA. These are vital for lessons learned and ensuring that projects contribute positively to the sector and desired impacts are achieved.
Institutional Outcomes	Research, monitoring, evaluation, and impact system of the HWSETA provide a credible skills planning and evaluation system that ensures that its funding initiatives yield good impact in the strategic period

PROGRAMME 3: SKILLS DEVELOPMENT PROGRAMMES AND PROJECTS

Purpose:	The purpose of this programme is to provide skills for learners in the workplace is scarce and critical areas within the health and welfare sectors. To this end, this programme is responsible for the implementation of learning programmes, approval of grants and implementation of projects. It also provides policy and advice to employers wishing to access grants from the HWSETA.
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SUB-PROGRAMME 3.1: LEARNING PROGRAMMES

Purpose:	The purpose of this sub-programme is to implement learning programmes. It also provides policy and advice to employers wishing to access grants from the HWSETA
Institutional Outcomes	<p>The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period</p> <p>The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.</p> <p>The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period</p> <p>The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period.</p>

SUB-PROGRAMME 3.2: WORKPLACE SKILLS PLAN AND PROJECTS

Purpose:	The purpose of this sub-programme is to approve grants and implement projects. It also provides policy and advice to employers wishing to access grants from the HWSETA.
Institutional Outcomes	The HWSETA supports officials from NGOs, NPOs, and Trade Unions in order to strengthen governance and service delivery, and thus advance social, rural, and community development, as well as provisions for persons with disabilities in the strategic period
	The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period
	The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.
	The HWSETA supports skills development for entrepreneurial and cooperative activities, as well as the establishment of new enterprises and cooperatives in the strategic period.

PROGRAMME 4: QUALITY ASSURANCE AND QUALIFICATION DEVELOPMENT

Purpose:	This programme consists of three subdivisions, namely Qualification Development, Skills Development Provider accreditation and Learner achievement. The purpose of the programme is to develop fit for purpose qualifications and ensure quality training is offered in the health and welfare sector. This programme, therefore, is responsible for the coordination, development and registration of new qualifications, accreditation and quality assurance of training providers and quality assurance of learner achievement, which culminates in certification. Developments and circulars by the Quality Council for Trade and Occupations (QCTO) on the continued delegation of the functions incorporated in this programme make this programme unclear going forward and these developments will be monitored closely.
Institutional Outcomes	The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted youths in the strategic period
	The HWSETA provides quality assurance services for the health and welfare sector to ensure quality in occupational education and training in the strategic period
	The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.

(D) OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS, AND ACTUAL ACHIEVEMENTS

Table 2.4.4.1: (The APP for 2021-2022 was not revised)

REVENUE COLLECTION: R-MILLION

SKILLS DEVELOPMENT REVENUE

Estimate	Actual Collection	(Over)/Under	Commentary	Estimate	Actual Collection	(Over)/Under
2021-22	2021-22	Collection		2020-21	2020-21	Collection
R 567	R 592	(R 25)	4.41% higher than budgeted. Collection of levy income is not predictable. In the formulation of the budget, a proposed collection is estimated based on factors available at the time of budgeting.	R 406	R 367	R 39

INVESTMENT INCOME

Estimate	Actual Collection	(Over)/Under	Commentary	Estimate	Actual Collection	(Over)/Under
2021-22	2021-22	Collection		2020-21	2020-21	Collection
R 30	R 15	R 15	Actual collection lower than amount budgeted. Investment income decreased due to decrease in investment bank balances due to the high volumes of discretionary grant payments.	R 31	R 25	R 6

GOVERNMENT LEVIES

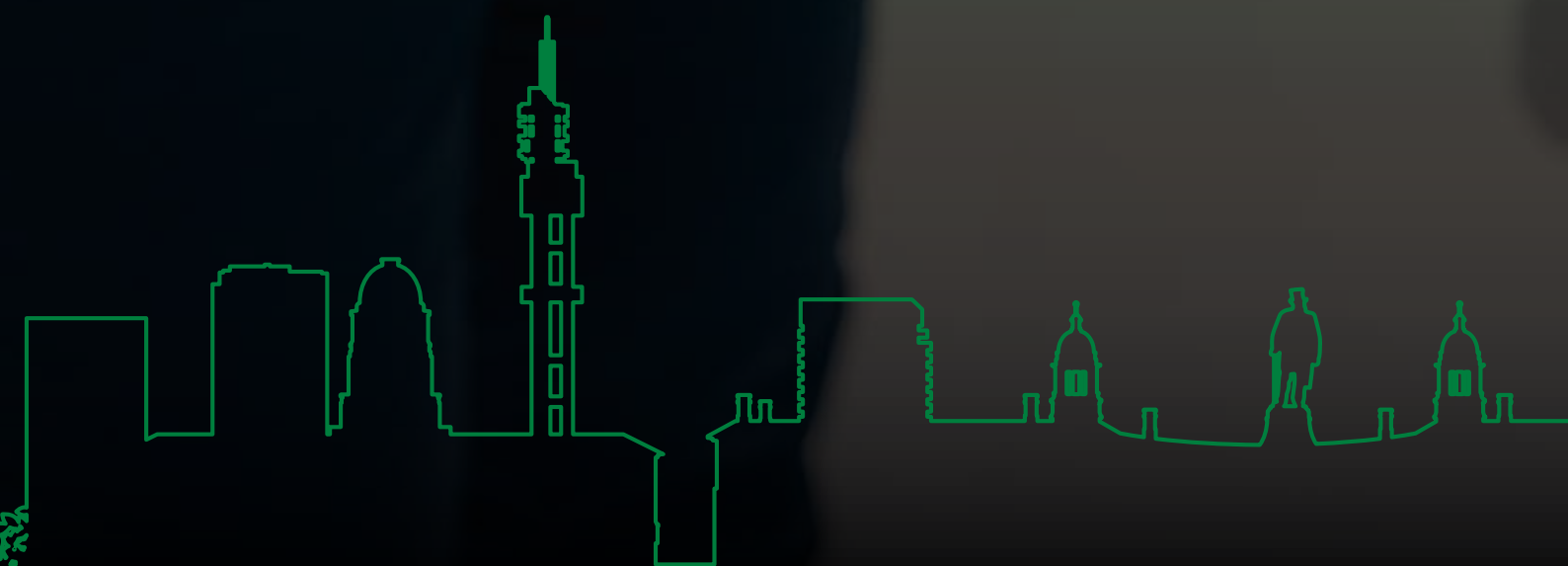
Estimate	Actual Collection	(Over)/Under	Commentary	Estimate	Actual Collection	(Over)/Under
2021-22	2021-22	Collection		2020-21	2020-21	Collection
R 176	R 162	R 14	Despite timeous invoicing and continuous follow up, three government departments did not pay the invoiced government levies for the year under review. Two of the three outstanding government departments have made a firm commitment to pay within the first quarter of the 2022/23 financial year. These outstanding amounts are being escalated to senior officials at these departments.	R 104	R 169	(R 65)





PART C

GOVERNANCE





GOVERNANCE STRUCTURE

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.



The Board is constituted of 15 Board members representing the following constituencies and stakeholders in the sectors served by the HWSETA:

- Ministerial appointed Independent Chairperson
- Organised Labour
- Organised Employers, including small businesses and 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

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.

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 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.

BOARD CHANGES DURING THE YEAR UNDER REVIEW:

The 6th Board was appointed on 1 April 2020 for a period up to 31 March 2025.

Board members in place during the year under review:

Board member	Representing	Appointment Date:
Dr Nomfundo Mnisi	Independent Chairperson	1 April 2020
Employer Representatives		
Mr Rudie van Loggerenberg	Department of Social Development	1 April 2020
Vacant	Department of Health	
Dr Nceba Ndzwayiba	Hospital Association of South Africa	1 April 2020
Dr Katlego Mothudi	Board of HealthCare Funders	1 April 2020
Dr Siphon Kabane	SA Medical Schemes	4 June 2021
Dr Lillian Marutle	Organized Employers	1 April 2020
Labour Representatives		
Ms Dimakatso Sebopa	DENOSA	1 April 2020
Ms Tselane Mbotshane	HOSPERSA	1 April 2020
Mr Sidney Kgara	NEHAWU	1 April 2020
Ms Nobukhosi Xulu	NEHAWU	1 April 2020
Ms Lungile Duma	NPSWU	1 April 2020
Mr Cebo Mntwini	PSA	4 June 2021
Non Profit Organizations / Mental Health		
Ms Lalita Harie		1 April 2020
People with Disabilities		
Ms Bongwiwe Malope		1 April 2020

Board terminations during the year under review: There were no Board member terminations during the year under review.

**HWSETA BOARD COMPRISING 15 MEMBERS****Executive Committee of the Board**

The Board is assisted by its Executive Committee, comprising of members from the Board. The Executive Committee meets every two months, or as required, to assert strategic oversight over the HWSETA's affairs.

Standing Committees

The Board has five Standing Committees, namely:

- Finance, Remuneration & Tender Standing Committee
- Skills Development & RIME Standing Committee
- ETQA Standing Committee
- Corporate Services Standing Committee

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

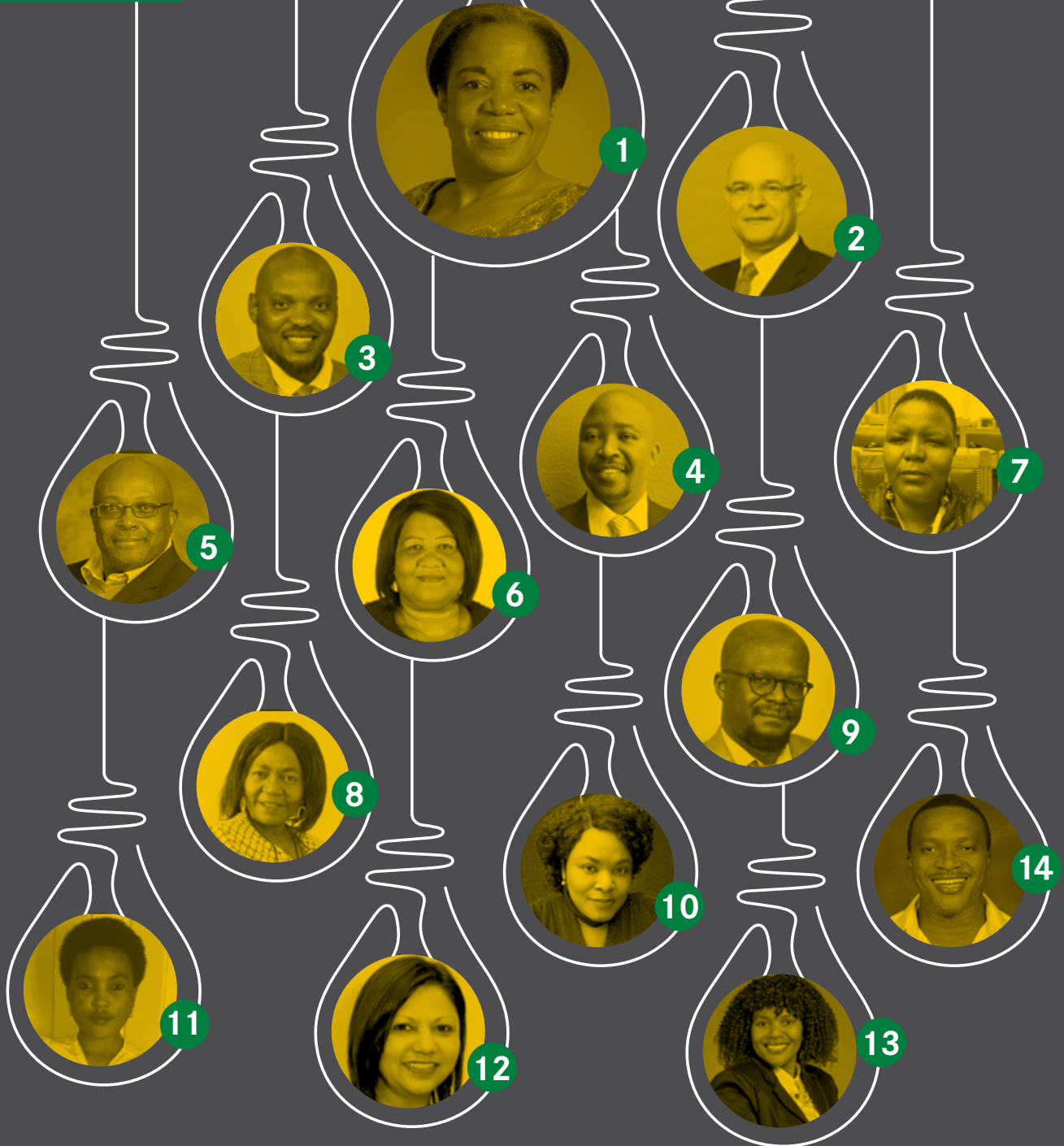
Audit, Risk, Governance and Ethics Committee

The Audit, Risk, Governance and Ethics 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, Governance and Ethics Committee comprises three 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.

THE HWSETA BOARD



1. DR NOMSA MNISI

2. MR RUDIE VAN LOGGERENBERG

3. DR NCEBA NDZWAYIBA

4. DR KATLEGO MOTHUDI

5. DR SIPHO KABANE

6. DR LILLIAN MARUTLE

7. MS DIMAKATSO SEBOPA

8. MS TSELANE MBOTSHANE

9. MR SIDNEY KGARA

10. MS NOBUKHOSI XULU

11. MS LUNGILE DUMA

12. MS LALITA HARIE

13. MS BONGIWE MALOPE

14. MR CEBO MNTWINI

HWSETA BOARD MEETING ATTENDANCE 1 APRIL 2021 TO 31 MARCH 2022

	N Mnisi	K Mothudi	N Ndzwayiba	R van Loggerenberg	S Kabane	L Marutle	C Mntwini	S Kgara	N Xulu	T Mbotshane	D Sebopa	L Duma	L Harie	B Malope
Board Meeting and Special Board Meetings - 6 Meetings	5	5	4	4	4	6	5	4	5	4	1	6	6	6
EXCO and Special Exco Meetings 7 Meetings	7	6				6				7		7		
SD/RIME Standing Committee Meetings - 4 Meetings			4	2					4	4		4	4	
ETQA Standing Committee Meetings - 3 Meetings			2	3		3			3	3	2		3	3
Corporate Services Standing Committee Meetings - 4 Meetings			1		2	4				4		4	4	4
Finance and Remuneration Standing Committee Meetings 7 Meetings		6			2	7		5			2			
Audit and Risk Committee Meetings - 6 Meetings		6						5						
Other Meetings / Workshops / AGM - 6 in Total	5	6	5	3	5	6		3	2	5	2	5	3	2
Total	17	29	16	12	13	32	5	17	14	27	7	26	20	15

BOARD REMUNERATION - FINANCIAL YEAR 2021 - 2022

Names	Designation	Total	Allowances	Travel and Subsistence Allowances	
			Meeting Attendance and Preparation	Reimbursement	Cell Phone
		R'000	R'000	R'000	R'000
Dr. NV Mnisi	Chairperson	327	308	6	13
Dr. N Ndzwayiba	Board member	91	91	-	-
Mr. SR Kgara	Board member	96	96	-	-
Dr. JK Mothudi	Board member	204	198	-	6
Ms. N Xulu	Board member	113	113	-	-
Ms. DM Sebopa	Board member	48	48	-	-
Ms. TA Mbotshane	Board member	198	192	-	6
Dr. LD Marutle	Board member	235	229	-	6
Ms. BP Malope	Board member	106	98	8	-
Ms. L Harie	Board member	170	170	-	-
Ms. LP Duma	Board member	198	192	-	6
Dr. S Kabane	Board member	71	71	-	-
Ms. P Yongama	Co-opted member - Appointed 01/10/2021	16	16	-	-
Ms. GP Mnguni	Co-opted member - Appointed 01/04/2021; Resigned 02/06/2021	7	7	-	-
		1 880	1 829	14	37

EXECUTIVE AUTHORITY DHET

- The HWSETA reports to the DHET on the following basis:
- Quarterly reporting of both financial and non-financial information;
- The annual Sector Skills Plan;
- The annual budget and Strategic Plan;
- The Annual Performance Plan for the following financial year; and
- Any other reporting request by the Department.

INTERNAL CONTROL UNIT

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 an annual 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 controls.

In the current year, eight internal audits were performed, which allowed the HWSETA to strengthen internal controls.

INTERNAL AUDIT AND AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE - THE EFFECTIVENESS OF INTERNAL CONTROLS

The system of internal controls applied by the HWSETA over financial and risk management is effective, efficient and transparent.

In line with the PFMA and Treasury Regulations, Internal Audit provides the Audit, Risk, Governance and Ethics Committee and management with assurance that 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 controls or any deviations there from.

Management is committed to addressing issues raised by the Internal Auditors and External Auditors, and this follow-up report is reviewed by the Committee during its meetings. Accordingly, the system of internal controls 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 addressed the risks pertinent to the HWSETA in its audits. We believe that Internal Audit contributed to the improvement of internal controls within the HWSETA.

Audit, Risk, Governance and Ethics Committee Responsibility

The Audit, Risk, Ethics and Governance Committee has adopted appropriate formal terms of reference in its 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. The Audit, Risk and Governance Committee has conducted its affairs in compliance with this Charter.



KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE

The Audit, Risk, Ethics and Governance 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 Authority;
- 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 if applicable.

The Audit, Risk, Ethics and Governance 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.

The following audits were conducted and completed by the Internal Auditors for the 2021-2022 Financial Year:

- Audit of Predetermined Objectives (Q3 and Q4) Review;
- ETQA Review;
- Finance Review;
- Human Capital Review;
- IT General Controls Review;
- Learnerships, Learning Programmes & Bursaries Review;
- Supply Chain Management Review;
- Unaudited Annual Financial Statements Review;
- Unaudited Performance Information Review.

The Audit, Risk, Governance and Ethics 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.

The Audit, Risk, Governance and Ethics Committee has the following objectives, to review:

- a. The effectiveness of internal control systems;
- b. The effectiveness of internal audit;
- c. The risk areas of the entity's operations to be covered in the scope of internal and external audits;
- d. The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- e. Any accounting and auditing concerns identified as a result of internal and external audits;
- f. The entity's compliance with legal and regulatory provisions;
- g. The activities of the internal audit function, including its annual work programme, coordination with external auditors, reports of significant investigations and responses of management to specific recommendations; and
- h. Where relevant, the independence and objectivity of external auditors.

COMPLIANCE WITH LAWS AND REGULATIONS

The HWSETA has established internal mechanisms to ensure compliance with laws and regulations, including checklists and internal reporting. The following are significant changes to laws and regulations that have influenced the period under review.

APPLICATION OF KING IV PRINCIPLES

The impact of corporate governance on operations and the creation of capitals to provide value to stakeholders cannot be underestimated. Where there is poor performance, there is poor corporate governance and conversely poor corporate governance is likely to result in the HWSETA underperforming. HWSETA supports the shift in King III to King IV towards an outcomes-based and holistic approach to corporate governance; and the mindful application of the governance practices in the pursuit of achieving the aspirational governance principles. The ultimate goal being the realisation of an ethical culture, good performance, effective control and legitimacy.

In accordance with the principles set out in King IV, the HWSETA has constituted the following Committees to ensure compliance:

1. Executive Committee (EXCO);
2. Audit, Risk, Governance and Ethics Committee; and
3. Finance, Remuneration and Tender Committee.

The Audit, Risk, Governance and Ethics Committee also attends to matters of ethics. Any matters of ethics are also reported to the Exco and in Board meetings.

Systems are in place to identify changes in legislation as and when they arise. Changes in legislation and statutory requirements are reported to the Board on a quarterly basis and as and when it becomes necessary.

The HWSETA ensured that all King IV principles were applied and matters arising were presented on quarterly basis at the Audit, Risk, Governance and Ethics Committee meetings, Exco and the Board.

The HWSETA has complied with the 16 principles of King IV applicable to State owned entities.

RISK MANAGEMENT

The Accounting Authority is responsible for the HWSETA risk management process. The Audit Risk, Governance and Ethics Committee assists the Accounting Authority in carrying out its risk management responsibilities.

The HWSETA continuously strives to improve its risk management processes and ensure that risk assessments are carried out on regular basis to determine the effectiveness of its risk management strategy and to identify new and emerging risks.

FRAUD AND CORRUPTION

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

ALLEGATIONS OF MISCONDUCT

A total of fifteen tip-offs were received between 1 April 2021 and 31 March 2022. Thirteen were reported through the tip-off hot line and sent directly to Internal Auditors to ensure confidentiality. Another two were reported through the CEO or Executive of the Division within the HWSETA. The nature of these tip offs are as follows:

- **5 – stipend related matters**
- **4 – accreditation**
- **3 – certificates**
- **1 – HWSETA Funding**
- **1 – SDFs**
- **1 – University funding**

Five of these matters were reported in the last two months of the financial period and are pending resolution. The other matters have been resolved. None of the matters reported related to internal HWSETA fraud or corruption.

MINIMISING CONFLICT OF INTEREST

The HWSETA abides by the HWSETA Related Party policy. Declarations of interest are made and recorded at each Board and subcommittee meeting of the HWSETA, and in the Tender Committee meetings for specification and adjudication of tenders.

All employees, including senior management, declare their interests annually, which is co-ordinated and monitored by the Corporate Services Division. In an effort to discourage conflicts of interest, it is the policy of the HWSETA that all employees must refrain from acceptance of gifts from employers, suppliers and other outside parties.

If any conflict arises, the affected employee/s will immediately refrain from participation in any supply chain management processes or decision-making processes. This has occurred on a

few occasions, and the affected individuals have refrained from participation in decision making in the affected area/issue.

CODE OF CONDUCT

The HWSETA has a Code of Conduct and Business Ethics Policy which provides direction to employees with regard to their relationship with other employees and the public, and to indicate the spirit in which employees should perform their duties, what should be done to avoid conflicts of interest and what is expected of them in terms of their personal conduct in public and private life.

The primary purpose of the Code is to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct and shall be dealt with in accordance with the relevant HWSETA policies, if she/he contravenes any provision of the Code or fails to comply with any provision thereof. A record of all declaration of interests and gifts is maintained.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The health and safety of all employees is of paramount importance for the HWSETA. With the onset of the COVID-19 pandemic, the HWSETA OHS Committee devised a plan to ensure the safety of staff.

Regular meetings of the HWSETA OHS Committee are held to discuss safety issues, identify potential safety risks and address these accordingly.

Members of the committee are trained in OHSA and conduct regular inspections. A safe working environment contributes to heightened staff morale and productivity.

REMUNERATION PHILOSOPHY

The HWSETA is committed to good practice and governance, fairness and equity in remuneration for its employees in line with relevant legislation. The HWSETA embraces a Cost to Company (CTC) as part of the overall Employee Value Proposition, considering the following: Remuneration at the HWSETA is based on a Cost to Company with a flexible guaranteed package structure, encompassing cash and benefits, travelling allowances and provident fund; insurance, medical aid allowance and risk benefits fall outside the CTC and are paid by the employer. The HWSETA uses the Paterson method of job evaluation, that is a systematic approach to determine as objectively as possible, the worth of one job relative to the other within the organisation. The HWSETA pays employees at the median range (ie 50% percentile); and pay scales for all levels have been developed in accordance with sound reward practices, including job hierarchy, overlap by pay level, pay range (minimum to maximum) and slope (percentage increase between the median of one level relative to the next).

ETHICS

The HWSETA Board is the ultimate custodian of the HWSETA's values and ethics and in its own conduct strives to lead by example. It follows that the Board aims to integrate these values and ethics into the HWSETA's strategy. The HWSETA has established a Social and Ethics Committee as a formal structure which can facilitate appropriate attention to the soft, but very important, dimensions of how the HWSETA goes about its business, specifically its value system with regard to ethical standards.

In terms of the Companies Regulation 43, a Social and Ethics Committee has to monitor the HWSETA's activities with regard to matters relating to the Social and economic development, including the HWSETA's standing.

The HWSETA adopts the following framework elements to facilitate the effective management of ethics performance:

1. Clear ethical standards are set - The values of the HWSETA including those relating to ethics, are articulated, and approved by the Board.
2. The HWSETA has an approved Code of Conduct and Ethics Guideline.
3. The respective roles of the Board, Executive Management, Employees and Stakeholders are clearly described.
4. To the Board, Executive Management and HWSETA employees support the meeting of ethical .The Audit, Risk, Governance and Ethics Committee monitors the ethical dimension of the business and is chaired by an independent non-executive member.
5. Specific ethics risks and opportunities in relation to the HWSETA 's operating context has been formally and rigorously identified, documented and mitigated
6. The adequacy of resources to properly perform on the responsibilities allocated are being considered.
7. The HWSETA has a hotline that is anonymous and effective.
8. The HWSETA maintains and builds awareness by communication, training and disclosure of information.
9. The HWSETA Audit, Risk, Governance and Ethics Committee obtains acceptable assurance on ethical performance by adopting a combined assurance approach to ethics performance which reduces the risk of incorrect information, and the existence of an inappropriate ethical culture, to an acceptable minimum.
10. The HWSETA seeks to establish and maintain the trust of stakeholders by the furnishing of appropriate external and independent assurance.
11. The HWSETA promotes good corporate citizenship including the HWSETA 's Promotion of equality, prevention of unfair discrimination and other measures to address corruption. All gifts and sponsorships, donations and charitable giving are recorded and disclosed. Transgressions are dealt with swiftly and effectively.

The HWSETA believes in obtaining, and furnishing, acceptable assurance on ethical performance by adopting a combined assurance approach to ethics performance which reduces the risk of incorrect information, and the existence of an inappropriate ethical culture, to an acceptable minimum and establishing and maintaining the trust of stakeholders by furnishing of appropriate external and independent assurance.

The Social and Ethics Committee assumes the responsibility to ensure that the Board sets the appropriate tone, and that the behaviour and messages of the board and the directors support and contribute to the HWSETA 's ethical corporate culture.

SOCIAL RESPONSIBILITY

The HWSETA invested over R57 000 in the period under review in various initiatives, such as the donation of new mother and baby care packages at public hospitals.

AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE (AUCOM) REPORT FOR THE YEAR ENDED 31 MARCH 2022

1. LEGISLATIVE REQUIREMENTS

The Audit, Risk, Governance and Ethics Committee (Aucom) herewith presents its report for the financial year ended 31 March 2022, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with Treasury Regulation 27.1.10.

2. AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE MEMBERS AND ATTENDANCE

The Aucom was established in accordance with sections 51(1)(a)(ii) and 77 of the PFMA. The Auco charter requires that the Committee comprises a minimum of three members and a maximum of five members,

the majority of whom should be independent members. The Aucom comprises five members, 3 independent members and 2 member representing Council. In terms of section 77(b) of the PFMA, the Aucom must meet at least twice a year. During the financial year ended 31 March 2022, the Aucom met on six occasions.

The table below shows the attendance of these meetings:

Name	Tenure	Qualifications	Number of meetings scheduled 2021-2022	Number of meetings attended 2021-2022
Mr G Higgins Aucom Chairperson	1 Sept 2018 to 31 January 2021 10 March 2021 to 31 July 2023	CA(SA)	6	6
Dr K Mothudi Board/Aucom member	1 April 2020 to 31 March 2025	Board member	6	6
Mr S Kgara Board/Aucom member	1 February 2019 to 31 March 2025	Board member	6	5
Mr W Carrim Aucom member	10 March 2021 to 31 July 2023	MCom taxation MBA CA(SA) MBA B.Com Hons H.Dip Tax Law	6	6
Ms I Mathatho Aucom member	10 March 2021 to 31 July 2023		6	5

The members of the Aucom held meetings with the senior management of the HWSETA, internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the HWSETA, throughout the reporting period. The Chairperson also held a meeting with the Chairperson of the Board to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the HWSETA.

3. AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE'S RESPONSIBILITY

The Aucom has complied with its responsibilities arising from section 51(1)(a)(ii) of the PFMA read with treasury regulation 27.1.8, and reports that it operated in terms of the Aucom charter read in conjunction with the internal audit charter.

4. EFFECTIVENESS OF INTERNAL CONTROL

The Aucom acknowledges management's efforts to strengthen internal controls in the HWSETA. There is a need for increased support, monitoring and evaluation to unlock the full potential of these efforts particularly in respect of the preparation of the Annual Financial Statements and Annual Performance Report.

The Aucom notes the findings by the internal and external auditors. Management has provided assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the Aucom will monitor these going forward.

Due to the strategic importance of, and investment in, the modernisation of information and communication technology (ICT) in the HWSETA, the Aucom has monitored the risk register and progress reports on the respective action plans during the year under review. The Aucom remains concerned that not all ICT risks are being addressed or mitigated, in implementing the new ERP system. This continues to place the HWSETA in a position where manual intervention is required to provide credible

information, in particular, within the areas identified by the AGSA.

5. THE QUALITY OF MONTHLY AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The Aucom is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. The Aucom has engaged with management to remedy shortcomings, especially relating to reports on performance against predetermined objectives.

The Aucom has reviewed and commented on the HWSETA's annual financial statements and report on performance information and their timely submission to the external auditors by 31 May 2022.

6. INTERNAL AUDIT FUNCTION

The HWSETA is obliged, in terms of the

PFMA, to ensure that the entity has a system of internal audit under the control and direction of the Aucom. The Aucom is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review. The Aucom is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the HWSETA.

7. RISK MANAGEMENT FUNCTION

The Aucom is responsible for the oversight of the risk management function. The risk management committee reports to the Aucom on the HWSETA's management of risk. The Risk Management Committee reports at each quarterly meeting on the progress with regards to management of strategic and operational risks in the organisation.

8. EVALUATION OF THE FINANCE FUNCTION

On the whole, the Aucom is satisfied with the HWSETA's finance function during the year under review.

9. PERFORMANCE MANAGEMENT

Part of the responsibilities of the Aucom includes the review of performance management. The Aucom has in terms of the performance of the HWSETA performed the following functions:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, and performance agreements.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the HWSETA.
- Review of reported noncompliance with legislation.
- Review of compliance with in-year reporting requirements.
- Review of the quarterly performance reports submitted by the internal audit function
- Review and comment on the HWSETA's performance management system and making recommendations for its improvement.

Except for the matters reported by the AGSA, the Aucom is satisfied that the performance report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting performance.

The Aucom recommends to the Management that controls are remediated to improve the reliability of the reporting process so that credible performance supported by appropriate documentation. The Aucom will oversee the improvement with the assistance of the internal audit function.

10. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Aucom has reviewed the annual financial statements, which focused on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements.
- Clarity and completeness of disclosures and whether disclosures made have been set properly in context.
- Quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Significant adjustments and/or unadjusted differences resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations.
- Asset valuations and revaluations.
- Calculation and levels of general and specific provisions.
- Write-offs and reserves.
- The basis for the going concern assumption, including any financial sustainability risks and issues.

The Aucom is comfortable that the annual financial statements have been prepared in terms of GRAP and the PFMA. Management must improve its reporting controls over disclosure matters to ensure that financial statements are submitted to the assurance providers without misstatements.

11. AGSA'S REPORT

The Aucom concurs with and accepts the

conclusion and audit opinion of the external auditors on the annual financial statements. The Aucom is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The Aucom confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The Aucom concurs with the findings on the reported performance information; financial statement as well as compliance with laws and regulations.

The external audit function, performed by the Auditor-General, is independent of the HWSETA. The Aucom has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

On behalf of the Audit, Risk, Governance and Ethics Committee:

Mr George Higgins CA(SA) RA

Audit, Risk, Governance and Ethics Committee Chairperson

Health and Welfare Sector Education Training Authority

31 July 2022

HWSETA LIVESTREAM EVENT PROVIDE ACCESS TO EXPERTS DURING MENTAL HEALTH AWARENESS MONTH

During October 2021, the HWSETA hosted the Mental Wellbeing Livestream, a series of online events aimed at creating much needed awareness around mental health, drilling down on some of the most pertinent issues faced by South Africans today.

The Mental Wellbeing Livestream series was presented across HWSETA's dedicated social media platforms and hosted by medical doctors and advocates for mental health, Dr Nokukhanya Khanyile and Dr Bello Alvarez. The 30-minute livestreams featured guests such as clinical psychologist Anele Siswana, psychologist Sharon Louria, and virologist Dr Bonolo Mashishi.

HWSETA's social media followers were given the opportunity to send questions via social media direct messaging service before each livestream event, which were then answered and discussed by the experts on the day. Many South Africans don't have access to mental health care and through the Mental Wellness Livestream the HWSETA was able to provide support and contact with mental health experts in a safe environment.

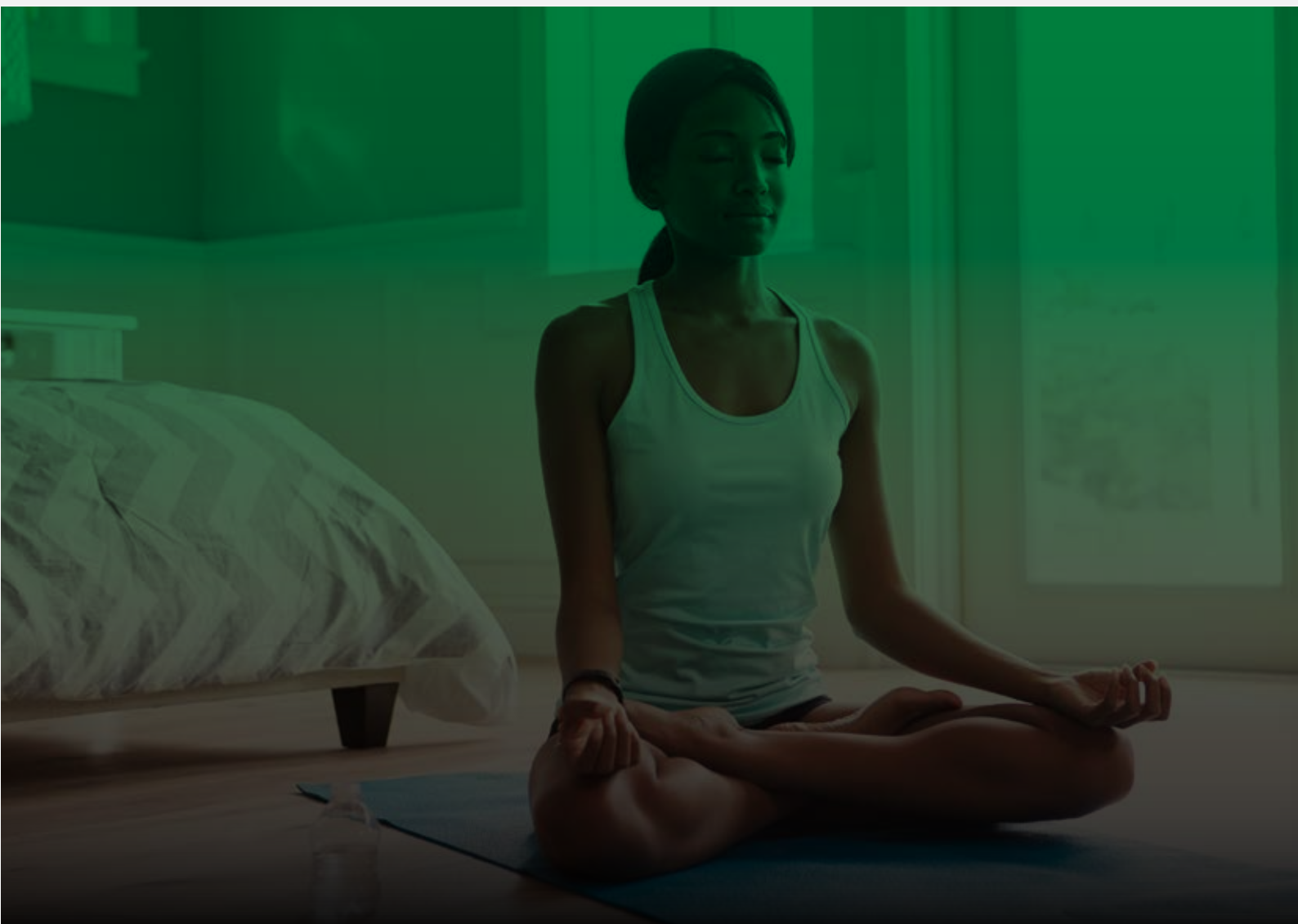
"Through the topics, guests addressed major mental health challenges and issues, providing tangible and workable solutions," says Elaine Brass,

CEO of HWSETA. The first Mental Wellbeing Livestream went live on 7 October 2021 with the topic: Fighting the Stigma Associated with Mental Health. The livestream was hosted by Dr Alvarez, with guests Anele Siswana and a medical student.



Other topics included:

- The impact of the COVID-19 pandemic on the mental wellbeing of healthcare professionals and the public at large;
- The challenges of distance learning and its toll on mental wellbeing of students; and
- Parenting during the COVID pandemic and its impact on the mental health of parents and students.





PART D

HUMAN RESOURCE MANAGEMENT



HUMAN RESOURCES

EMPLOYMENT AND VACANCIES

Programme/activity/objective	No. of Employees 2021-2022	Approved Posts 2021-2022	Vacancies 2021-2022	% of vacancies
Top Management	1	1	0	0%
Senior Management	6	6	0	0%
Professional qualified	24	24	0	0%
Skilled	110	114	4	3,50%
Semi-skilled	7	7	0	0%
Unskilled	0	0	0	0%
TOTAL	148	152	4	4%

EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	6	0	0	6
Professional qualified	21	3	3	24
Skilled	99	11	9	110
Semi-skilled	5	2	0	7
Unskilled	0	0	0	0
TOTAL	132	16	12	148

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	9	6,08%
Dismissal	3	2,02%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	12	8.1%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	2
Final Written warning	6
Dismissal	3
TOTAL	12

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

LEVELS	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	1	0	1	2	0	0	0
Professional qualified	6	1	1	1	2	2	1	0
Skilled	24	15	3	1	4	2	2	1
Semi-skilled	2	1	0	2	0	3	0	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	33	17	4	5	8	7	3	2

LEVELS	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	1	0
Senior Management	3	0	0	0	0	0	0	2
Professional qualified	9	3	2	0	3	0	0	0
Skilled	59	34	11	2	6	3	1	3
Semi-skilled	5	0	0	0	0	2	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	76	37	13	2	9	5	2	5

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

LEVELS	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	1	0	0
Skilled	0	0	3	1
Semi-skilled	0	2	0	2
Unskilled	0	0	0	0
TOTAL	0	3	3	3

PERSONNEL COST BY PROGRAMME/ ACTIVITY/ OBJECTIVE

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
ADMIN	110 615	69 644	63%	82	849
SDP*	34 760	32 262	93%	51	633
ETQA	17 735	11 674	66%	15	778

PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 286	2.01%	1	2 286
Senior Management	10 088	8.88%	6	1 681
Professional qualified	21 888	19.27%	24	912
Skilled	77 316	68.07%	110	703
Semi-skilled	2 002	1.76%	7	286
Unskilled	0	0	0	0
TOTAL	113 580		148	767

* Employee numbers includes terminations and appointments

PERFORMANCE REWARDS

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	228	2 286	9.99%
Senior Management	970	10 088	9.61%
Professional qualified	1 969	21 888	8.99%
Skilled	3 602	77 442	4.67%
Semi-skilled	150	2 002	7.49%
Unskilled	0	0	0,00%
TOTAL	6 919	113 706	8,76%

* Performance bonus rewards disclosed in note 7.1 of the annual financial statements include the bonus provision

TRAINING COSTS

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of training sessions	Avg training cost per employee (R'000)
Administration (Finance; CS; RIME& OCEO)	69 770	1 204	1,72%	321	8.1
SDP*	32 262	0	0,00%	0	
ETQA	11 674	0	0,00%	0	
TOTAL	113 706	1204	0,00%	321	8.1

* These figures provided for Skills Development Planning include personnel costs for the Provincial Office



PART E

FINANCIAL MANAGEMENT





REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

ON THE HEALTH AND
WELFARE SECTOR EDUCATION
AND TRAINING AUTHORITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Health and Welfare Sector Education and Training Authority set out on pages 97 to 139, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Health and Welfare Sector Education and Training Authority as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

BASIS FOR OPINION

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

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and SDA, and for such internal control as the Accounting Authority determines it necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof. I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents: I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the

public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 3: Skills development and projects	27-46

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. The material findings on the reliability of the performance information of the selected programme are as follows:

PROGRAMME 3 - PROGRAMME 3: SKILLS DEVELOPMENT AND PROJECTS VARIOUS INDICATORS

15. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator description	Reported achievement
29.2: Number of unemployed persons reported to the HWSETA as having completed learner ships registered with the HWSETA as industry or HWSETA funded in the reporting period	1394
30.2: Number of unemployed persons reported to the HWSETA as having completed credit and non-credit bearing skills programmes funded by the HWSETA in the reporting period.	1745

OTHER MATTER

16. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

17. Refer to the annual performance report on pages 27 to 46 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered

in the context of the material findings on the reliability of the reported performance information in paragraph 15 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3: Skills development and projects. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislation are as follows:

ANNUAL FINANCIAL STATEMENTS

21. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.
22. Material misstatements of grants and transfers payables non-exchange transactions, trade and other payables exchange transactions, cash and cash equivalents and related parties, identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

OTHER INFORMATION

23. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

28. Management did not implement adequate reviewing and monitoring controls over the annual financial statements and the underlying records supporting the annual financial statements before submission for auditing. This resulted in the underlying records being subjected to material corrections after having been submitted for auditing.

29. Management did not implement adequate records management processes with regards to performance information, which led to inaccurate and incomplete data for some of the indicators stored on the source to support the reported performance information.

Auditor-General

Pretoria

31 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Authority
 - conclude on the appropriateness of the Accounting Authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit

evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Health and Welfare Sector Education and Training Authority to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the Accounting Authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

HWSETA FUNDS SOUTH AFRICAN VETERINARY ASSOCIATION (SAVA) MENTORING TRAINING

What began as a pilot programme in 2020, with only 27 mentors, has since expanded to encompass more than two thirds of all Compulsory Community Service (CCS) Veterinarians (mentees) and 73 mentors in 2021. The mentor programme is under the auspices of SAVA in cooperation with South African Veterinary Council (SAVC) and funding from HWSETA.

The well-structured and organised process commences with the recruitment of both mentors and mentees for each consecutive year at the end of the previous year. A matching process then follows between mentor and mentee based on the skillset of the mentor and development area of the mentee.

For 2021 the skills training for the mentors, who are all qualified and experienced veterinarians, participate as mentors entirely of their own free will.

The first of the training courses took place in February 2021 at Emperors Palace in Kempton Park. Veterinarians from all over the Northern part of the country attended the training (Gauteng, Limpopo, North West, Mpumalanga, Free State). A special word of appreciation to Dr Nomsa Mnisi, Executive Board of HWSETA, who offered her time, skills, and experience to become a SAVA/SAVC Mentor for newly qualified CCS Vets (Mentees) in 2021.

The course was conducted by IMSIMBI Training, who are well known for mentorship training nationwide. To become a mentor is a skill that needs to be acquired and this training was aimed at developing the requisite skill. The training consisted of modules covering diverse subjects such as: self-awareness; developing essential listening skills; how to plan for a discussion with the mentee; mentoring relationships and the ongoing mentoring processes.

It is interesting to note that mentors and mentees are not based in the same geographical location. This is made possible with modern communication technology such as Skype, WhatsApp, Zoom and Microsoft Teams and the like, for real time communication and assistance / advice to take place.



After completion of the first two-day course in Johannesburg, the training moved to Cape Town where a second two-day mentor training was undertaken. The Verde Hotel at the Cape Town International Airport was ideal, and shuttles were readily available to transport the delegates to the training venue. It had excellent attendance, and Veterinarians who are stationed much farther afield and across a more expansive geographical area got the opportunity to get together, to meet each other and the officials from SAVA who manage the programme face-to-face. New relationships were built, and goodwill and mutual encouragement was generated.

Attendees included Veterinarians from the Eastern Cape, Midlands, Durban, West Coast and Western Cape.

To be a successful mentor also requires constant observation and regular reporting and thus paperwork is required on the progress of the mentees. SAVA's Mentoring Manager was on hand to explain the





necessity of this requirement and how to integrate it into daily clinical activities and the undoubtedly already busy working schedules of a practising veterinarian.

New developments and expansion of the programme:

- Inclusion of Equine Veterinarians as mentors;
- Communication with final year students regarding the need for mentoring during their CCS year;
- Youth Summit;
- Career Day;
- A special link to final year students;
- Marketing videos to students including testimonials of current CCS Vets; and
- Blackboard messages to final year students.

SAVA wishes to express their sincere appreciation to the HWSETA who contributed to making this mentoring programme a resounding success.

GENDER-BASED VIOLENCE IN THE HIGHER EDUCATION SECTOR

Higher Health, in collaboration with the Higher Education's Gender Based Violence (GBV) technical task team, released the guidelines and protocols that will turn the sector's GBV policy framework, launched by Minister Blade Nzimande in July 2020, into practical implementation across campuses during a webinar on 27 August 2021.

The main reason for the implementation of the GBV and Sexual Misconduct Guidelines and Protocols is because of the increasing numbers of GBV cases in universities and colleges. The event was well attended by a variety of stakeholders representing the different sectors in which Higher Health operates.

Higher Health is a national agency focusing on promoting the health and well-being of students at public universities and colleges.

"Higher education and training institutions need to educate young men about unlearning backward social, cultural and traditional practices," said Higher Education Deputy Minister, Buti Manamela during the launch. He added that the initiative was not the only one being embarked on by the sector and was part of government's interventions to fight the scourge of GBV and raise awareness.

He went on to say that this initiative was also a build-up of a series of events the department had been involved in to combat GBV on campuses. "While these protocols may address the reality of individual institutions, the bigger reality that resides outside the walls of academic institutions is that the problem of gender-based violence

is a historical and societal phenomenon and not one that is confined to academic institutions," he said.

The launch of the protocols comes in the wake of the brutal killing of University of Fort Hare final-year law student Nosiselo Mtembeni.

Puleng LenkaBula, Chairperson of the Post School Education and Training GBV technical task team and Unisa vice-chancellor, said the murder of Uyinene Mrwetyana from the University of Cape Town two years ago put the spotlight on GBV and femicide in the country. She added that action is urgently needed, and the protocols should lead to the implementation of an effective strategy that will make campuses safe.

Higher Health CEO, Ramneek Ahluwalia, said the policy pushed every higher education institution to put structures, infrastructure, systems and controls in place in the fight against the GBV pandemic. He said sexual violence and GBV should also become a core mandate of key deliverables and KPAs in institutions.





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STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 31 MARCH 2022

	Note	2021-2022 R'000	2020-2021 R'000
REVENUE			
Non - Exchange Revenue	3	753 917	535 435
Skills Development Levy: income		745 559	525 425
Skills Development Levy: penalties and interest		8 358	10 010
Exchange Revenue		15 974	28 139
Investment income	4	14 448	25 874
Other income	5	1 526	2 265
		-	-
Total revenue		769 891	563 574
EXPENSES			
Total expenses		969 267	992 900
Employer grant and project expenses	6	807 148	842 722
Administration expenses	7	162 119	150 178
		-	-
Net Deficit for the year	2	(199 376)	(429 326)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2021-2022 R'000	2020-2021 R'000
ASSETS			
Current assets		4 12 091	6 32 511
Statutory receivable: Non-exchange transactions	8	34 923	35 671
Accounts receivable: Exchange transactions	9	3 469	2 868
Prepayments and advances	10	1 872	1 348
Inventories	11	895	968
Cash and cash equivalents	12	370 932	591 656
Non-current assets		14 789	15 336
Property, plant and equipment	13.1	8 696	9 238
Intangible assets	13.2	6 093	6 098
		-	-
TOTAL ASSETS		426 881	647 847
FUNDS AND LIABILITIES			
Current liabilities		100 429	122 018
Grants and transfers payable - Non exchange transactions	14	68 682	96 831
Trade & other payables: Exchange transactions	15	15 174	14 786
Provision for staff Bonuses	16	9 501	4 624
Levy exempt provision	17	6 629	5 776
NSF Funds received in Advance	18	-	1
Operating lease payables	22	442	-
Funds and reserves		326 452	525 829
Administration reserve		14 789	15 336
Employer grant reserve		-	-
Discretionary reserve		311 663	510 493
TOTAL FUNDS AND LIABILITIES		426 881	647 847

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2022

FUNDS AND RESERVES					
	Administration reserve	Employer grant reserve	Discretionary reserve	Unappropriated surplus	Total
	R'000	R'000	R'000	R'000	R'000
Surplus at 31 March 2020	14 999	-	940 156	-	955 155
Net deficit				(429 326)	(429 326)
Allocation of unappropriated surplus	2 514	35 535	(467 375)	429 326	-
Transfer from Employer reserves		(35 535)	35 535		-
Transfer to Discretionary reserves	(2 177)		2 177		-
Surplus at 31 March 2021	15 336	-	510 493	-	525 829
Net deficit				(199 376)	(199 376)
Allocation of unappropriated surplus	15 109	49 470	(263 956)	199 376	-
Transfer from Employer reserves		(49 470)	49 470		-
Transfer to Discretionary reserves	(15 656)		15 656		-
Surplus at 31 March 2022	14 789	-	311 663	-	326 452

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2022

	Note	2021-2022 R'000	2020-2021 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		755 162	505 998
Levies, and penalties received		753 869	503 662
Other cash receipts from stakeholders		1 293	2 336
Cash paid to stakeholders, suppliers and employees		(988 252)	(1 040 436)
Grants and project payments		(834 016)	(921 074)
Compensation of employees		(107 848)	(93 091)
Payments to suppliers and other		(46 388)	(26 271)
Cash generated from operations	29	(233 090)	(534 438)
Investment income		14 448	25 874
Net cash (outflow) from operating activities		(218 642)	(508 564)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13.1	(2 082)	(2 566)
Purchase of intangible assets	13.2	-	(357)
Disposal of property, plant and equipment		-	-
Net cash (outflow) from investing activities		(2 082)	(2 923)
Net (decrease) in cash and cash equivalents		(220 724)	(511 487)
Cash and cash equivalents at the beginning of the year		591 656	1 103 143
Cash and cash equivalents at the end of the year	12	370 932	591 656

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2022

Reference to explanations	2021-2022				2020-2021	
	R'000	R'000	R'000	%	R'000	R'000
	Actual	Approved Adjusted Budget	Original Approved Budget	Variance between Actual and Adjusted budget	Variance between Actual and Adjusted budget	Prior year Actual
Total Levy Income	591 726	566 756	323 043	4,41%	24 970	366 808
Levy - Mandatory	145 543	141 689	79 394	2,72%	3 854	88 885
Levy - Discretionary	361 452	350 680	201 388	3,07%	10 772	221 617
Levy - Administration	76 373	74 387	42 261	2,67%	1 986	46 296
Levy Interest and Penalties	8 358	-	-	0,00%	8 358	10 010
Total Income - Government Departments	A 162 191	175 877	128 235	-7,78%	(13 686)	168 627
Total Investment Income	B 14 448	29 583	34 511	-51,16%	(15 135)	25 874
	768 365	772 216	485 789	-0,50%	-3 851	561 309
Approved prior year surplus for utilisation		350 000				
Skills Development Levies Grant refund	168	-	-	-	-	121
Sundry income	1 358	-	-	-	-	2 144
Administration Expenditure	162 119	165 364	148 174	-1,96%	(3 245)	150 178
Accommodation and Travelling	C 2 499	1 261	2 500	98,18%	1 238	1 209
Advertising and Promotions	1 844	2 000	829	-7,80%	(156)	1 254
Audit - External	D 3 946	3 356	2 858	17,58%	590	3 218
Audit - Internal	E 873	2 294	2 588	-61,94%	(1 421)	2 477
Bank charges	5	131	129	-96,18%	(126)	126
Branding	F 1 535	2 100	518	-26,90%	(565)	1 804
Catering and Refreshments	154	30	104	413,33%	124	29
Cleaning	1 098	1 382	1 000	-20,55%	(284)	1 292
Consulting Fees	G 1 077	700	700	53,86%	377	929
Courier & Postage	476	161	79	195,65%	315	154
Depreciation	2 629	2 725	2 725	-3,52%	(96)	2 586
Audit Committee costs	346	253	279	36,76%	93	243
Governance Costs	1 880	2 196	2 509	-14,39%	(316)	2 105
Insurance Premiums	558	513	688	8,77%	45	492
Groceries	47	50	88	-6,00%	(3)	23
Lease charges	6	216	216	-97,22%	(210)	3
Legal fees	337	518	518	-34,94%	(181)	135

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL EXPENDITURE *CONT.*

FOR THE YEAR ENDED 31 MARCH 2022

Reference to explanations	2021-2022				2020-2021	
	R'000	R'000	R'000	%	R'000	R'000
	Actual	Approved Adjusted Budget	Original Approved Budget	Variance between Actual and Adjusted budget	Variance between Actual and Adjusted budget	Prior year Actual
Memberships & Subscriptions	402	733	545	-45,16%	(331)	703
Motor Vehicle expenses	24	25	46	-4,00%	(1)	24
Office Move	186	1 090	1 090	-100,00%	(904)	99
Printing and Stationery	313	892	1 148	-64,91%	(579)	855
Programme evaluations and ETQA AQP	706	2 223	1 200	-68,24%	(1 517)	968
Quality Council for Trades and Occupations	2 556	2 499	2 499	2,28%	57	3 488
Research costs	1 099	1 366	1 311	-19,55%	(267)	769
Recruitment costs	99	280	393	-64,64%	(181)	268
Rent Paid and storage	12 433	12 037	11 719	3,29%	396	10 059
Repairs and Maintenance	4	124	124	-96,77%	(120)	19
Salaries	113 706	112 626	100 901	0,96%	1 080	104 123
Security	25	104	104	-75,96%	(79)	101
Social responsibility	-	231	78	-100,00%	(231)	221
Software licences and support	3 493	3 974	3 270	-12,10%	(481)	4 138
Staff, Board Training and bursaries	1 418	1 200	948	18,17%	218	439
Staff welfare and EAP	241	351	559	-31,34%	(110)	337
Telephone and faxes	1 532	1 438	1 051	6,54%	94	1 379
Management of fraud hotline	28	36	36	-22,22%	(8)	35
Water and Electricity, rates and taxes	1 724	1 477	1 585	16,72%	247	1 416
Other consumables	219	337	104	-35,01%	(118)	323
Write off of assets	-	-	100	-100,00%	-	-
Workshops	2 601	2 435	1 035	6,82%	166	2 335
Mandatory Grants	96 073	92 098	51 606	4,32%	3 975	53 350
Project Expenditure - Discretionary Funds	711 075	861 754	283 009	-17,49%	(150 679)	789 372
Total grants	807 148	953 852	334 615		-146 704	842 722
Deficit before capital expenditure	(199 376)	3 000	3 000		146 098	(429 326)
CAPEX	2 082	3 000	3 000	-30,60%	(918)	2 923
Deficit	(201 458)	-	-			(432 249)

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL EXPENDITURE *CONT.*

FOR THE YEAR ENDED 31 MARCH 2022

As reflected in note 18.1 to the Annual Financial Statements, formal approval was obtained from the National Treasury, in terms of the PFMA, to retain the surplus funds of 2020-21. The original approved budget for 2021-22 was adjusted to include these surplus funds, that were planned to be spent in the current year to fund the release of commitments. This means the deficit does not represent unauthorised spending.

Commentary on material variances - 20% and R500 000 or more

A	Government levy income - Despite timeous invoicing and continuous follow up, three government departments did not pay the invoiced levies, for the year under review. Two of the three outstanding government departments have made firm commitments to pay within the first quarter of the 2022-2023 financial year.
B	Investment income - This includes bank interest earned on cash and investments held. Due to the high cash outflow for discretionary grant payments, as well as low interest rates in the year under review, the reduced cash balances led to lower interest earned than was anticipated.
C	Accommodation and Travelling - During the current year the HWSETA held significant workshops and conferences and the level of participants were more than initially planned. In addition, included in the travel costs is travel cost incurred in respect of the World Skills conference.
D	External audit costs - The audit process transcends financial years. Therefore, included in the external audit cost are some of the audit fees for 2020-2021 for audit work performed during the 2021-2022 financial year as well as the interim audit fees for the 2021-2022 financial year. Therefore the over-expenditure is a timing factor.
E	Internal audit - This expense is lower than budget as planned projects were executed after the financial year end.
F	Branding - Due to delays in the move of the Head office and provincial offices, certain expenditure such as signage and the purchase of HWSETA branded materials has also been delayed.
G	Consulting costs - Consulting costs are higher than budget due to additional spending on Verification of ID numbers and data migration. Following the challenges experienced with the previous service provider appointed for the migration of data for the Finance Module, a new service provider was appointed to assist with the completion of the migration process.
H	Office move - Due to the delays in the signing of the lease agreements, most of the office move took place post the financial year end. Furthermore, for some of the provincial offices, as well as the Head Office, there was no need for a move as the previous landlord was the successful bidder for the new lease period.
I	Programme Evaluations and AQP - This relates to expenditure incurred for internally developed learning materials and externally developed learning materials. The process of developing learning materials takes time and the HWSETA is not in control of externally developed learning materials. Expenditure is below budget because in the year under review the development of externally developed new learning materials was not completed by the end of the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

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.

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, and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), and on the going concern basis. The HWSETA is a Public Entity listed in schedule 3A to the PFMA. The HWSETA obtains its mandate from the Skills Development Act and provides this service to its sectors of Health and Social Development in South Africa.

The Annual Financial Statements have been prepared on a historical cost basis.

1.2 GOING CONCERN ASSUMPTION

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

1.3 NEW ACCOUNTING PRONOUNCEMENTS

There were no new standards that became effective in the year under review that are relevant to the HWSETA. The ASB has issued the following pronouncements on GRAP Standards and Interpretations which may have an impact on HWSETA future financial statements with effective dates as indicated:

Standard/ Interpretation:	Effective date: Years beginning on or after	Impact
GRAP 25 - Employee benefits (revised)	To be determined	This standard prescribes the accounting treatment for employee benefits. The changes prescribed from the current applicable standard relate mainly to the accounting requirements of defined benefit plans and as such is not expected to significantly impact HWSETA's current accounting policies or disclosures.
GRAP 104 - Financial instruments (revised)	01 April 2025	This standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to: (a) simplify the recognition, measurement and disclosure of financial instruments; (b) accommodate the types of financial instruments entered into in the public sector. The definitions of the various categories of financial instruments in IAS 39 have been streamlined and replaced which will require us to change our accounting policy accordingly. The following disclosures required under IAS are encouraged but not required: (a) The disclosure of fair values for financial instruments; (b) Certain disclosures about the use of the fair value using the three tiered hierarchy; and (c) A market sensitivity analysis. It is expected that this standard will not significantly impact HWSETA's future disclosures.
IGRAP 7 - The limit on a defined benefit asset, minimum funding requirements and their interaction (revised)	To be determined	The revision limits the measurement of a defined benefit asset to "the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan". Minimum funding requirements may exist to improve the security of the post employment benefit promise made to members of an employee benefit plan. Such requirements normally stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions. This standard will not have any impact on HWSETA's reporting as the HWSETA does not have any funds held in defined benefit plans.
IGRAP 21 - The effect of past decisions on materiality	01 April 2023	"This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods. The interpretations look at: (a) Whether past decisions about materiality affect subsequent reporting periods; and (b) Whether applying alternative accounting treatments based on materiality is a departure from the Standards of GRAP or an error. The application of this standard is not expected to have a material impact on HWSETA's reporting."
Guideline on accounting for landfill sites	01 April 2023	The Guideline applies to entities that are required to comply with the legislative requirements applicable to landfill sites. This guideline is not applicable to the HWSETA.

1.4 CURRENCY

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

1.5 REVENUE RECOGNITION

- Exchange revenue

Revenue is measured at fair value of the consideration received or receivable.

- Non-exchange transactions

Revenue from non-exchange transactions are recognised in accordance with GRAP 23 using the 'assets and liabilities' approach. Non-exchange revenue transactions result in resources being received by the HWSETA, usually in accordance with a binding arrangement. When the HWSETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that the HWSETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

When the resources transferred to the HWSETA are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and the revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange transactions include the receipt of levy income, penalties and interest on such income levied by the SARS, received by the HWSETA from the Department of Higher Education and Training. This income category also includes the receipt of levy income from Government Departments of Health and Social Development.

1.5.1 Non-Exchange revenue - 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 (80%) 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.

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 SETAs. Such adjustments are separately disclosed as

Inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued by the Department of Higher Education and Training issued June 2001.

Exempted employers

An employer who is liable to pay the levy is exempted, if during any month, there are reasonable grounds for believing that the total remuneration (as determined in accordance with the Act) paid or payable by that employer to all its employees during the following 12 month period will not exceed R500 000. The HWSETA recognises a payable in respect of SDL levy refunds due to Levy exempt employers. This payable is a provision based on levies received from possible levy exempt entities.

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 – Non-exchange revenue

Interest and penalties on the skills development levy is recognised when it is received. This is recognised as non-exchange transactions.

Investment income – Exchange Revenue

Interest income from investments including fixed deposits and cash held in current accounts, is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.5.2 Government levy income – Non-exchange revenue

In accordance with the Cabinet Circular of 2012, Government Departments pay 30% of 1% of their annual payroll budget to a SETA effective 01 April 2013. The 30% received by the HWSETA is utilised as follows:

- 10% - Administration costs of the HWSETA
- 20% - Discretionary grants and projects.

1.5.3 Government grants and other donor income – Non-exchange revenue

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.

1.5.4 Levy exempt income – Non-exchange revenue

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 grant income after the expiry date of five years from date of receipt of the funds, if not refunded to the respective employer through the SARS system.

1.6 GRANTS AND PROJECT EXPENDITURE

A registered employer company or organisation may recover a maximum of 69.5% 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 20% would be for participation in mandatory grants, and 49.5% for participation in discretionary grants.

1.6.1 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 20% of the total levies paid by the employer during the corresponding financial period for the skills planning grant and skills implementation grant.

1.6.2 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 funding in the prescribed form within the agreed upon cut-off period. The discretionary grant payable and the related expenditure are recognised when the application has been approved and the conditions are met.

Project expenditure comprise:

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

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

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

Grant payments and projects

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

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

1.7 EMPLOYEE BENEFITS

1.7.1 Salaries and wages

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

1.7.2 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.

1.7.3 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 Measurement Policy and the bonus value has been approved. This process starts and is completed after year-end.

1.7.4 Post-retirement benefits

The HWSETA provides a defined contribution 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.

1.8 Commitments

Commitments are disclosed in the notes to the annual financial statements and are not raised as liabilities and arise 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.

1.9 Irregular and fruitless and wasteful expenditure

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

- The PFMA of 1999,
- The Skills Development Act of 1998,

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.

Irregular expenditure or fruitless and wasteful expenditure is incurred when the resulting transaction is recognised in the accounting records. It is disclosed in a note in the Financial Statements when it has been identified and confirmed as irregular expenditure or fruitless and wasteful expenditure.

Where an instance of irregular expenditure or fruitless expenditure has been identified, the incident is investigated and recorded in the register, reported to the Board, recovery process implemented, and if irrecoverable, condonation and write-off in terms of the National Treasury Irregular Expenditure Framework.

Irregular expenditure or fruitless and wasteful expenditure is derecognised when it is either recovered, condoned by the National Treasury, removed or written off by the Accounting Authority in line

with the framework issued by the National Treasury:

- a) Treasury Instruction Note No.2 of 2019-2020 Irregular expenditure.
- b) Treasury Instruction Note No.3 of 2019-2020: Fruitless and wasteful expenditure .

1.10 Property, Plant and Equipment

Property, plant and equipment (owned and leased) are initially recognised at cost and subsequently at cost less accumulated depreciation and adjusted for any impairments. All property, plant and equipment recognised in the Annual Financial Statements are considered to be non-cash generating assets that these assets are utilised in the delivery of services and not with used to generate any commercial return.

1.10.1 Initial Recognition

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if:

- a) It is probably that the future economic benefits or service potential associated with the item will flow to the entity, and
- b) The cost or fair value of the item can be measured reliably.

1.10.2 Depreciation

Depreciation is calculated on the straight-line method to write off the cost of each asset to estimated residual value over its estimated useful life as follows:

- Computer equipment	3 - 3 to 6 years
- Motor Vehicles	5 to 10 years
- Office furniture and fittings	10 to 20 years
- Office equipment	6 to 10 years
- Leased assets	Depreciated over the lease period,

1.11 INTANGIBLE ASSETS

1.11.1 Internally generated fixed assets

1.11.1.1 Initial Recognition

The HWSETA recognises the development of the HWSETA ERP system as Internally Generated Software. All expenses that are measurable and clearly identifiable to development of the ERP system have been capitalised to the cost of internally generated software as and when incurred. The following costs are capitalised to the cost of the asset:

- a) Materials and services consumed in the development effort, such as third-party development fees, software purchase costs, and travel costs related to development work.
- b) The payroll costs of those employees directly associated with software development.

1.11.1.2 Subsequent measurement

The HWSETA ERP system is subsequently measured using the cost model. The HWSETA has considered various factors in assessing the lifespan of the ERP system developed. Management expects continued service potential of the ERP system as long as the SETA sector is in existence. There are limited Processing and Reporting systems currently in the market that are able to meet the operational needs of SETAs. Based on the latest promulgations by the Minister of Higher Education and Training, SETAs will have an indefinite lifespan. The HWSETA system has thus been assessed to have an indefinite lifespan and as such will not be amortised.

1.11.2 Other intangible assets

1.11.2.1 Initial Recognition

An intangible asset shall be recognised as an asset if, and only if:

- a) It is probable that the future economic benefits or service potential associated that are attributable to the asset will flow to the entity, and
- b) The cost or fair value of the item can be measured reliably.

1.11.2.2 Subsequent measurement

After the initial recognition, an item of intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment.

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 using the straight-line method, over their estimated useful lives.

Computer software - 3 to 6 years

Computer Software Licences - over the period of the licence

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.

1.11.2.3 De-recognition

An intangible asset shall be derecognised:

- a) On disposal (including disposal through a non-exchange transaction) or
- b) When no future economic benefits or service potential are expected from its use or disposal

The gain or loss arising from the derecognition of an intangible asset item is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an intangible asset item is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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. Amortisation of such costs will be amortized from the time of bringing the asset into use over the estimated life of the asset.

1.11.3 Impairment

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.

1.11.4 Research and Development

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

- a) The technical feasibility of completing the intangible asset so that it

will be available for use or sale;

b) The intention to complete the intangible asset and use or sell it;

c) The ability to use or sell the intangible asset;

d) How the intangible asset will generate probable future economic benefits or service potential. Among the other things, the entity can demonstrate the existence of the market for the output of the intangible asset or the intangible asset itself or if it is used internally, the usefulness of the intangible asset; and

e) The availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset.

1.12 INVENTORIES

1.12.1 Initial recognition

Inventories are initially measured at cost and shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits or service potential associated with the item will flow to the entity; and

(b) the cost of the inventories can be measured reliably.

1.12.2 Subsequent measurement

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. The HWSETA hold inventory for consumption in the production process of goods to be distributed at no charge.

1.13 LEASING

Finance leases 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

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 (the straight-line basis) as an expense over the period of the lease, and not based on actual cash payments.

1.14 CONTINGENT LIABILITIES

Contingent liabilities are disclosed 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.

1.15 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. All HWSETA assets are non-cash generating.

Property, plant and equipment and intangible assets 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.

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 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.

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

1.16 PROVISIONS

1.16.1 Initial recognition

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. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

1.16.2 Subsequent recognition

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

1.17 FINANCIAL INSTRUMENTS

1.17.1 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.

1.17.2 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.

1.17.3 Financial assets

The HWSETA's principal financial assets are cash and cash equivalents and accounts receivables.

1.17.3.1 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.

1.17.3.2 Cash and cash equivalents

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

1.17.4 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.

1.17.5 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.

1.17.6 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 will be calculated by discounting expected future cash flows at prevailing interest rates where material.

1.17.7 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.

1.18 RESERVES

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

1.18.1- Administration reserve

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

1.18.2 - 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.

1.18.3 - 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.

1.18.4 - 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:

	2021-2022	2020-2021
	%	%
Administration cost of the HWSETA	10.5	10.5
Employer grant fund levy	20	20
Discretionary grant and projects	49.5	49.5
Received by the HWSETA	80	80
Contribution to the National Skills Fund	20	20
	100	100

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to pay for its administration costs.

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

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

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

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

1.19 TAXATION

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

1.20 COMPARATIVE AMOUNTS

Where necessary comparative amounts are adjusted to conform to changes in the presentation. No comparatives were restated in the current year.

1.21 Presentation of Budget Information in the Financial Statements

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:

- a) the original approved and final approved budget amounts;
- b) the actual amounts on a comparable basis; and
- c) 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 2021 to 31 March 2022 and has been prepared on the accrual basis of accounting.

1.22 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.

1.23 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 key accounting judgements include:

1.23.1 Non-exchange receivables

The calculation in respect of the impairment of non-exchange transactions is based on an assessment of the extent to which receivable have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness or other information available. This was performed across all classes of these receivables. A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant overpayment, net of bad debts and allowance for irrecoverable amounts.

1.23.2 Exchange receivables

The HWSETA assesses its sundry debtors for impairment at the end of each accounting period. In determining whether an impairment loss should be recorded, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.23.3 Non-exchange payables

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

1.23.4 Exchange payables

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

1.23.5 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions included in note 1.16 – Provisions.

1.23.6 Levy exempt employers

A provision for levy exempt employers is made annually based on the identification of levy exempt employers based on information available from these entities, and the amounts of contributions received from employers who have not been specifically identified as being levy exempt. The change in any estimate is also affected by prior scheme year levy reversals that occurred in the current year.

1.23.7 Property, plant and equipment and Intangible assets

The useful lives of assets are based on management's estimation. Management considers the impact of technology, condition of the asset, obsolescence, and service requirements to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The following values in the Annual Financial Statements have been judgementally derived:

- a) Depreciation of property,
- b) Provision for doubtful debts from non-exchange transactions.
- c) Provision for Levy Exempt employers.

1.24 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The HWSETA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The HWSETA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.25 STATUTORY RECEIVABLES

1.25.1 Identification

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

Carrying amount is the amount at which an asset is recognised in the Statement of Financial Position.

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

Statutory receivable arise from levies that are due to the HWSETA from government departments in line with the grant regulations.

1.25.2 Recognition

The HWSETA recognises statutory receivables as follows:

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

1.25.3 Initial measurement

The HWSETA initially measures statutory receivables at their transaction amount.

1.25.4 Subsequent measurement

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

- a) Impairment losses; and
- b) Amounts derecognised.

1.25.5 Accrued interest

The HWSETA does not charge interest on mandatory receivables because the collecting agent (SARS) charges interest on late payments of levies.

1.25.6 Impairment losses

The HWSETA assesses at each reporting date, whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the HWSETA considers, as a minimum, the following indicators:

- a) Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- b) It is probable that the debtor will enter sequestration, liquidation or other financial reorganisation.
- c) A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- d) Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, changes in migration rates and patterns, or long outstanding receivables beyond 120 days and there has not been any recovery over a year.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the HWSETA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, the HWSETA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material,

the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

1.25.7 Derecognition

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

- a) The rights to the cash flows from the receivable are settled, expire or are waived;
- b) The HWSETA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- c) The HWSETA, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity:

- i) derecognises the receivable; and
- ii) recognises separately, any rights and obligations created or retained in the transfer.

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

2 ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES 31 MARCH 2022

	Total per Statement of Financial Performance	Administration Reserve	Employer Grant Reserve	Discretionary Grant Reserve
	R'000	R'000	R'000	R'000
Total revenue	769 891	177 228	145 543	447 120
Skills development levy: income				
Admin levy income (10.5%)	76 373	76 373	-	-
Grant levy income (69.5%)	506 995	-	145 543	361 452
Government levy income	162 191	99 329	-	62 862
Skills development levy: penalties and interest	8 358	-	-	8 358
Investment income	14 448	-	-	14 448
Other income	1 526	1 526	-	-
Total expenses	(969 267)	(162 119)	(96 073)	(711 075)
Administration expenses	(162 119)	(162 119)	-	-
Employer grants and project expenses	(807 148)	-	(96 073)	(711 075)
Net deficit per the Statement of Financial Performance	(199 376)	15 109	49 470	(263 955)

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 SURPLUS FOR THE YEAR TO RESERVES AS AT 31 MARCH 2021

	Total per Statement of Financial Performance	Administration Reserve	Employer Grant Reserve	Discretionary Grant Reserve
	R'000	R'000	R'000	R'000
Total revenue	563 574	152 692	88 885	321 997
Skills development levy: income				
Admin levy income (10.5%)	46 296	46 296	-	-
Grant levy income (69.5%)	310 502	-	88 885	221 617
Government levy income	168 627	104 131	-	64 496
Skills development levy: penalties and interest	10 010	-	-	10 010
Investment income	25 874	-	-	25 874
Other income	2 265	2 265	-	-
Total expenses	(992 900)	(150 178)	(53 350)	(789 372)
Administration expenses	(150 178)	(150 178)	-	-
Employer grants and project expenses	(842 722)	-	(53 350)	(789 372)
Net deficit per the Statement of Financial Performance	(429 326)	2 514	35 535	(467 375)

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 NON- EXCHANGE REVENUE		
	2021-2022	2020-2021
	R'000	R'000
Levy income: Administration	175 702	150 427
Levies received	175 702	150 427
Levies received from SARS	76 373	46 296
Government levies received	99 329	104 131
Inter-SETA transfers in	-	-
Inter-SETA transfers out	-	-
Levy income: Employer Grants	145 543	88 885
Levies received	145 543	88 885
Levies received from SARS	145 418	88 885
Inter-SETA transfers in	380	-
Inter-SETA transfers out	(255)	-
Levy income: Discretionary Grants	432 672	296 123
Levies received	432 672	296 123
Levies received from SARS	359 885	221 617
Government levies received	62 862	64 496
Transfer from Levy Exempt	1 257	-
Interest	4 173	6 104
Penalties	4 185	3 906
Inter-SETA transfers in	940	-
Inter-SETA transfers out	(630)	-
Total Skills Development Levy Income	753 917	535 435
4 INVESTMENT INCOME		
	2021-2022	2020-2021
	R'000	R'000
Interest income from banking institutions	14 448	25 874
	14 448	25 874
5 OTHER INCOME		
	2021-2022	2020-2021
	R'000	R'000
Mandatory grants received from Services SETA	168	121
Recovery of mandatory grant overpayment	674	-
Write off of old debts due to prescription and refunds	684	2 144
	1 526	2 265
6 EMPLOYER GRANT AND PROJECT EXPENSES		
	2021-2022	2020-2021
	R'000	R'000
Mandatory grants	96 073	53 350
Movement in provision	1 281	(12 925)
Disbursed	94 792	66 275
Discretionary grants	711 075	789 372
Disbursed	711 075	789 372
	807 148	842 722

7 ADMINISTRATION EXPENSES

	Note	2021-2022 R'000	2020-2021 R'000
Depreciation	13.1	2 624	2 582
Amortisation of Intangible assets	13.2	5	4
Operating lease		12 425	9 732
Buildings		12 419	9 729
Plant, machinery and equipment		6	3
Maintenance, repairs and running costs		4	19
Property and buildings		3	9
Machinery and equipment		1	10
Quality Council for Trades and Occupations (QCTO)		2 556	3 488
Research costs		1 099	769
Advertising, marketing and promotions, communication		1 844	1 254
Consultancy and service provider fees		1 077	929
Legal fees		337	135
Cost of employment	7.1	113 706	104 123
Travel and subsistence and accommodation		2 499	1 209
Staff training and development		1 204	354
Remuneration to members of the Accounting Authority		1 880	2 105
Remuneration to members of the audit committee		346	243
External auditor's remuneration		3 946	3 218
		16 567	20 014
Workshops		2 601	2 335
Internal audit fees		873	2 477
Courier and postage		476	154
Telephone		1 532	1 379
Programme evaluations and AQP		706	968
Management of Fraud hotline		28	35
Printing and stationery		313	855
Staff welfare		241	337
Office cleaning		1 098	1 292
Insurance		558	492
Motor vehicle expenses		24	24
Social responsibility		-	221
Software support		3 493	4 138
Storage		14	330
Subscriptions		402	703
Staff bursaries		214	85
Security		25	101
Water and electricity, rates and taxes		1 724	1 416
Recruitment costs		99	268
Bank charges		5	126
Branding		1 535	1 804
Other consumables		219	323
Catering and refreshments		154	29
Office move		186	99
Groceries		47	23
		162 119	150 178

7.1 COST OF EMPLOYMENT

	2021-2022	2020-2021
	R'000	R'000
Salaries and wages	96 085	88 147
Basic salaries	81 092	75 879
Performance awards	11 797	9 125
Temporary staff and interns	2 002	1 771
Leave expense	1 194	1 372
Social contributions	17 621	15 976
Medical aid allowance	3 320	2 913
Provident fund - additional benefits	2 572	2 234
Provident fund contributions: defined contribution plan	9 249	8 513
SDL Levies	959	620
UIF	316	269
Workmens Compensation	293	178
Other salary related costs - cell phone allowances	912	1 249
	113 706	104 123
Number of employees at period end:	158	166
Permanent	148	143
Temporary	5	17
Internships	5	6

8 STATUTORY RECEIVABLE: NON-EXCHANGE TRANSACTIONS

		2021-2022	2020-2021
	Note	R'000	R'000
Inter-SETA debtors	28	2 712	1 392
SARS levy reversals - Employer mandatory grant overpaid	8.1	6 018	4 038
Discretionary grant receivables		4 674	-
Government levy receivables		26 723	34 164
Provision for doubtful debts		(5 204)	(3 923)
		34 923	35 671

In accordance with the Cabinet Circular of 2012, Government Departments of Health and Social Development pay 30% of 1% of their annual payroll budget to the HWSETA, effective 01 April 2013. At year-end government levies that are due but not yet received are recognised as receivables in the Annual Financial Statements.

Reconciliation of movement in doubtful debts			
Opening balance		(3 923)	(2 944)
Movement- in provision created		(1 281)	(979)
Closing balance		(5 204)	(3 923)

8.1 EMPLOYER OVERPAID		
	2021-2022	2020-2021
	R'000	R'000
Included in Skills Development Levy debtors is:		
SARS receivable/(payable)		
Opening carrying amount	4 038	3 979
Net effect of SARS Adjustments on levies for the current year	1 980	59
Closing carrying amount	6 018	4 038

9 ACCOUNTS RECEIVABLE: EXCHANGE TRANSACTIONS		
	2021-2022	2020-2021
	R'000	R'000
Interest receivable on cash balances	176	118
Staff receivables - salary advances	526	745
Office rental deposits	1 535	1 215
Staff study assistance/bursaries	1 232	790
Total receivables	3 469	2 868

10 PREPAYMENTS AND ADVANCES		
	2021-2022	2020-2021
	R'000	R'000
Insurance premium	298	236
Office rental in advance	930	713
Subscriptions and other supplier deposits	644	399
Closing balance	1 872	1 348

11 INVENTORIES		
	2021-2022	2020-2021
	R'000	R'000
Opening balance	968	1 112
Purchases	605	2 476
Utilised	(678)	(2 461)
Donation	-	(159)
Closing balance	895	968

*There are no consumables held at current replacement cost
Inventory is recognised at the lower of cost and net realisable value on the first in first out basis.*

12 CASH AND CASH EQUIVALENTS

	2021-2022	2020-2021
	R'000	R'000
Cash - Bank deposits	107 519	29 169
Cash - Corporation for Public Deposits	263 370	501 482
Cash - Investments in term deposits	-	61 000
Cash on hand	43	5
Cash and cash equivalents at end of year	370 932	591 656

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.

With the permission of the National Treasury, surplus funds were invested in institutions that have been approved as per Treasury Regulation 3.1.3.5. However, following the National Treasury's directive issued in September 2021, the HWSETA closed accounts where investments with commercial institutions were held and all surplus funds are now all held in the CPD account. The investment accounts in Standard Bank and Nedbank were closed in March 2022.

13.1 PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000
Period ended 31 March 2022			
Computer equipment	11 591	(8 997)	2 594
Office furniture and fittings	6 218	(3 335)	2 883
Office equipment	7 349	(4 248)	3 101
Motor vehicles	892	(774)	118
Balance at end of year	26 050	(17 354)	8 696
Made up as follows:			
- Owned assets	26 050	(17 354)	8 696
Period ended 31 March 2021			
Computer equipment	9 966	(7 248)	2 718
Office furniture and fittings	6 208	(2 998)	3 210
Office equipment	6 904	(3 779)	3 125
Motor vehicles	892	(707)	185
Balance at end of year	23 970	(14 732)	9 238
Made up as follows:			
- Owned assets	23 970	(14 732)	9 238

There are no restrictions on any item of property, plant and equipment

Movement summary 31 March 2022

	Carrying amount 2021	Additions	Disposals	Depreciation charge/ impairment loss	Carrying amount 2022
	R'000	R'000	R'000	R'000	R'000
Computer equipment	2 718	1 627	-	(1 751)	2 594
Office furniture and fittings	3 210	10	-	(337)	2 883
Office equipment	3 125	445	-	(469)	3 101
Motor vehicles	185	-	-	(67)	118
Balance at end of year	9 238	2 082	-	(2 624)	8 696

Disposals: Computer equipment with a cost of R5 756 707 and a zero carrying value has been identified for disposal in early 2022-2023 financial year. In addition, Office Equipment with a cost of R616 045 (zero carrying value) and Furniture and Fitting (zero carrying value) have also been identified for disposal.

Movement summary 31 March 2021

	Carrying amount 2020	Additions	Disposals	Depreciation charge/ impairment loss	Carrying amount 2021
	R'000	R'000	R'000	R'000	R'000
Computer equipment	2 948	1 436	-	(1 666)	2 718
Office furniture and fittings	3 329	213	-	(332)	3 210
Office equipment	2 725	917	-	(517)	3 125
Motor vehicles	252	-	-	(67)	185
Balance at end of year	9 254	2 566	-	(2 582)	9 238

Disposals: Computer equipment with a cost of R814 047 and a carrying value of R14 has been identified for disposal in early 2021-2022 financial year.

13.2 INTANGIBLE ASSETS

	Cost	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000
Period ended 31 March 2022			
Internally generated software	6 186	(93)	6 093
Other software	-	-	-
Balance at end of year	6 186	(93)	6 093
Made up as follows:			
Owned assets	6 186	(93)	6 093

Other software consists mainly of Teamviewer.

There are no restrictions on any recognised item of intangible assets.

	Cost	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000
Year ended 31 March 2021			
Internally generated software	6 186	(88)	6 098
Other software	-	-	-
Balance at end of year	6 186	(88)	6 098
Made up as follows:			
Owned assets	6 186	(88)	6 098

Movement summary 31 March 2022

	Carrying amount 2021	Additions	Disposals	Depreciation charge/ impairment loss	Carrying amount 2022
	R'000	R'000	R'000	R'000	R'000
Internally generated software	6 263	-	-	(5)	6 258
Other software	-	-	-	-	-
Balance at end of year	6 263	-	-	(5)	6 258

Movement summary 31 March 2021

	Carrying amount 2020	Additions	Disposals	Depreciation charge/ impairment loss	Carrying amount 2021
	R'000	R'000	R'000	R'000	R'000
Internally generated software	5 745	357	-	(4)	6 098
Other software	-	-	-	-	-
Balance at end of year	5 745	357	-	(4)	6 098

The HWSETA has recognised the development of the HWSETA ERP system as Internally Generated Software. The HWSETA has considered various factors in assessing the lifespan of the ERP system developed. Management expects continued service potential of the ERP system as long as the SETA sector is in existence. There are limited Processing and Reporting systems currently in the market that are able to meet the operational needs of SETAs. Based on the latest promulgations by the Minister of Higher Education and Training, SETAs will have an indefinite lifespan. The HWSETA system as thus been assessed to have an indefinite lifespan and as such will not be amortised. Software in nature can become obsolete over time if no upgrades are made to the system. After consideration of the current operational capability of the ERP Oodo system, management is confident that there is no impairment. In addition HWSETA fully intends to keep up to date with all upgrades.

Disposals: Computer software with a zero carrying value, costing R1 033 651 has been identified to be written off during the current year as these software reached the end of their license period.

14 GRANTS AND TRANSFERS PAYABLE: NON-EXCHANGE TRANSACTIONS

	Note	2021-2022 R'000	2020-2021 R'000
Grants payable		67 440	96 757
SARS levy reversals - Employer mandatory grants underpaid		283	-
Inte-SETA Payables	28	959	74
		68 682	96 831

15 TRADE AND OTHER PAYABLES: EXCHANGE TRANSACTIONS

	Note	2021-2022 R'000	2020-2021 R'000
Trade creditors		6 135	6 739
Staff leave accrual		5 713	5 058
SARS - PAYE/UIF and third party payables		3 326	2 989
		15 174	14 786

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. This provision is only adjusted at year-end

16 PROVISION FOR BONUSES		
	2021-2022	2020-2021
	R'000	R'000
Opening balance	4 623	2 339
Utilised	-	(2 339)
Increase in provision	4 878	4 623
Closing balance	9 501	4 623

17 LEVY EXEMPT PROVISION		
	2021-2022	2020-2021
	R'000	R'000
Opening balance	5 776	6 535
Transferred to discretionary income	(1 257)	(2 701)
Additional provision created	2 110	1 942
Closing balance	6 629	5 776

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.

18 DEFERRED GOVERNMENT GRANT AND DONOR FUNDING		
18.1 National Skills Fund (NSF) advance receipts		
	2021-2022	2020-2021
	R'000	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 OPERATING LEASE COMMITMENT		
	2021-2022	2020-2021
	R'000	R'000
Opening balance	-	-
Recognition of accruals due to commencement of lease contracts	442	-
Closing balance	442	-

Refer also to note 22

20 CONTINGENCIES**Contingent Asset:**

20.1 In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. Formal approval was obtained from the National Treasury to retain the surplus funds from the 2020-21 financial year. Formal approval has been sent to the National Treasury to apply to retain surplus funds for 2021-22. At 31 March 2022 the HWSETA has commitments raised for R1 444 billion.

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No. 12 of 2020-2021

Cash and cash equivalents	370 932
Add: Receivables	40 264
Less: Payables	(100 429)
	310 768

Contingent Liabilities:

20.2 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 still pending to 2019. Total possible further cost amount to R250 000 once the trial begins.

20.3 The CCMA matter relating to an application by an ex-employee on payment by HWSETA of their settlement amount which the HWSETA had paid into a bank account not nominated by the employee was finalised with the ruling being made in the ex-employee's favour. The HWSETA was instructed to pay the ex-employee's legal costs. There has been no correspondence from the ex-employee's legal representatives on the quantum of the amount. Furthermore, the HWSETA had paid an amount of R 82 640 to the Acting Sherrif to be held in the trust account until the final outcome is received.

20.4 In December 2012, the Minister repealed the 2005 Grant Regulations and promulgated the 2012 Grant Regulations. Regulation 4(4) of the 2012 Grant Regulations stipulates that 20% of the total levies paid by the employer in terms of Section 3(1) as read with Section 6 of the Skills Development Levy Act during each financial year may be paid back to the employer who submits the requisite reports and claims back the mandatory grant. This effectively reduced the refund percentage from the initial 50%, as established by the 2005 Grant Regulation, to 20%.

Business Unity South Africa (hereinafter referred to as "BUSAs") filed a Labour Court application to review and set aside the 2012 Grant Regulations in its entirety or alternatively Regulation 4(4). In October 2019, after a long legal battle between BUSAs and the Minister, the Labour Appeal Court set aside Regulation 4(4) as promulgated in Government Notice 23 of 2016. The judgement is however silent on the question of whether the mandatory grant that may be claimed back by the employers from the SETAs is set to revert back to the pre-2012 Grant Regulations position. Legal opinions sought by the HWSETA as well as other SETAs differed on their conclusions on whether the judgement has a retrospective or prospective effect. This means there is uncertainty of timing and amount. Although the Minister has been in discussions with BUSAs on the matter, there has been no directive from the Department of Higher Education, Science and Innovation to the SETAs on how to handle this matter. The SETAs continue to pay mandatory grants at 20% to all qualifying employers.

21 COMMITMENTS

Discretionary reserve

R1 444 billion has been approved and allocated for future projects and skills priorities as set out below.

Projects	NSDS Objectives and Indicators	Opening Commitment 2021-2022	Approved by Accounting Authority 2021-2022	Project funding approved but not committed as at 31 March 2022	Decommitments 2021-2022	Recommitments 2021-2022	Utilised 2021-2022	Closing Commitments 2021-2022
Learnerships (Employed and unemployed)	Indicator 3	340 876	9 777	-	(32 730)	1 560	(63 159)	256 325
SME Funding	Indicator 10	6 275	12 640	(6 474)	(3 485)	1 382	(1 350)	8 989
Public Sector Education and Training	Indicator 14	38 143	-	-	(3 194)	-	(8 316)	26 632
Internships, Work experience and Work Intergrated Learning	Indicator 7	268 239	-	-	(33 734)	2 208	(112 906)	123 807
Vocational training to TVET and other public colleges	Indicator 17	177 456	-	-	(655)	-	(94 123)	82 679
Artisan training (Employed and Unemployed)	Indicator 4	76 842	-	-	(2 830)	106	(22 640)	51 478

Projects	NSDS Objectives and Indicators	Opening Commitment 2021-2022	Approved by Accounting Authority 2021-2022	Project funding approved but not committed as at 31 March 2022	Decommitments 2021-2022	Recommitments 2021-2022	Utilised 2021-2022	Closing Commitments 2021-2022
Artisan training (Employed and Unemployed)	Indicators 4 & 26	12 620	-	-	-	-	(5 595)	7 025
Undergraduate Bursary Funding (Employed and Unemployed)	Indicator 6	20 924	-	-	(15 124)	16	(973)	4 843
Skills Programmes (Employed and Unemployed)	Indicator 8	50 469	-	-	(222)	-	(5 337)	44 910
Adult Education and Training (Employed and Unemployed)	Indicator 21	4 637	-	-	(3 438)	-	(403)	796
Adult Education and Training (Employed and Unemployed)	Indicator 21 & 31	1 590	-	-	-	-	(604)	986
Levy Exempt Support	Indicator 22	19 412	10 580	(771)	(9 304)	-	(558)	19 359
Post Graduate Bursaries (Employed)	Indicator 6 (1) & 6 (2)	2 521	3 600	-	-	291	(1 575)	4 836
Qualification Development	Indicator 24	(496)	-	-	-	496	-	(0)
Research Projects	Indicator 13	5 941	-	-	-	-	(378)	5 563
RPL Funding	Indicator 25	7 703	-	-	-	-	(6 613)	1 090
NGO, NPO and Trade Union Funding	Indicator 11	2 010	-	-	(1 742)	306	(454)	120
Lecturer Development (TVET and Public colleges)	Indicator 16	1 673	-	-	(960)	-	(374)	339
Cooperatives	Indicator 9	1 755	-	-	(369)	1	(2 068)	(681)
Accreditation and Moderation Projects	Indicator 19	2 777	-	-	-	-	(927)	1 850
Partnerships	Indicator 23	51 900	-	-	(4 808)	-	(32 648)	14 444
Learnerships and Skills Programmes (Employed and Unemployed)	Indicators 3 & 8	14 727	-	-	-	-	-	14 727
Trade Union Support	Indicator 11 (2)	2 605	8 715	(366)	-	-	(3 337)	7 617
Learnerships - Public Sector Education and Training	Indicator 14 & 3	12 941	-	-	-	-	-	12 941
Partnerships -Public Sector Education and Training	Indicator 14 & 23	11 825	-	-	-	-	(9 656)	2 169
NGO and NPO support / Levy Exempt	Indicators 22 & 11.1	337	-	-	-	-	(665)	(329)
NGO and NPO support	Indicator 11 (1)	7 295	1 393	-	-	-	-	8 688
Undergraduate Bursary Funding (Employed)	Indicators 6.4 & 6.5	19 328	-	-	-	-	(6 506)	12 823
Skills Programmes (Employed and Unemployed)	Indicator 8 & 30	46 166	-	-	-	-	(17 865)	28 302
Work Intergrated Learning (TVET and Public Colleges)	Indicator 28 (1)	119 424	79 819	(1 867)	-	-	(49 717)	147 659
Work Intergrated Learning (University Students)	Indicator 32 (1)	14 440	40 000	(4 796)	-	-	(8 449)	41 195
Undergraduate Bursaries (Unemployed)	Indicators 27.4 & 27.5	121 994	-	-	-	-	(95 426)	26 567

Projects	NSDS Objectives and Indicators	Opening Commitment 2021-2022	Approved by Accounting Authority 2021-2022	Project funding approved but not committed as at 31 March 2022	Decommitments 2021-2022	Recommitments 2021-2022	Utilised 2021-2022	Closing Commitments 2021-2022
Learnerships (Employed and Unemployed)	Indicators 3 & 29	149 487	-	-	(16 524)	-	(80 270)	52 694
Post Graduate Bursaries (Unemployed and Employed)	Indicator 27.1,27.2,6.1&6.2	5 262	-	-	-	-	(4 598)	664
Partnerships - Internship Funding	Indicators 23 & 7	440	-	-	-	-	-	440
Partnerships - Learnerships for Unemployed	Indicators 29 & 23	1 049	-	-	-	-	(198)	851
Mid level Skills - Vocational Training	Indicator 1 & 17	31	-	-	-	-	-	31
Mid level Skills	Indicator 1	573	2 655	-	-	-	(453)	2 775
Artisan training (Unemployed)	Indicator 26	1 966	-	-	-	-	-	1 966
Mid level skills (Learnerships for Unemployed)	Indicators 1 & 29	2 665	-	-	-	-	(1 724)	941
Mid level skills (Learnerships for Unemployed)	Indicator 1 & 29	1 163	-	-	-	-	(898)	265
Research Projects	Indicator 12	2 284	-	-	-	-	(2 017)	267
Post Graduate Bursaries (Unemployed)	Indicator 27 (1) & 27 (2)	-	2 400	-	-	-	-	2 400
Adult Education and Training (Employed)	Indicator 21(1)	-	1 350	(10)	-	-	-	1 340
Adult Education and Training (Unemployed)	Indicator 31(1)	-	1 350	-	-	-	-	1 350
Undergraduate Bursaries (Employed)	Indicator 6 (4) & 6 (5)	-	23 640	(15)	-	-	-	23 625
Vocational training to TVET and other public colleges	Indicator 17 (1)	-	63 200	(3 902)	-	-	(13 486)	45 812
Internships (Unemployed)	Indicator 7 (1)	-	93 110	(20 981)	-	-	(2 268)	69 861
Lecturer Development (TVET and Public colleges)	Indicator 16 (1)	-	500	(37)	-	-	-	463
Artisan Training - (Employed)	Indicator 4 (1)	-	22 500	(1 494)	-	-	(12 459)	8 547
Skills Programmes (Employed)	Indicator 8 (1)	-	35 931	(3 168)	-	-	(274)	32 489
Skills Programmes (Unemployed)	Indicator 30 (1)	-	16 000	-	-	-	(16 334)	(334)
Learnerships (Employed)	Indicator 3 (1)	-	37 500	-	-	-	-	37 500
Learnerships (Unemployed)	Indicator 29 (1)	-	132 500	(19 944)	-	-	(21 196)	91 360
Undergraduate Bursaries (Unemployed)	Indicator 27 (4)	-	130 000	(16 185)	-	-	(2 276)	111 539
TOTAL		1 629 268	729 160	(80 010)	(129 119)	6 366	(711 075)	1 444 589

	2021-2022 R'000	2020-2021 R'000
TOTAL DISCRETIONARY GRANTS COMMITTED (Contracted only)	1 444 589	1 629 268
	464%	319%

The HWSETA has committed 464% of reserves in 2021-2022. In prior years these commitments were released over a period of 2 to 3 years, which allowed the HWSETA sufficient time to build up funds to make good on all of its commitments. In the recent years the rate of release of commitments has been much quicker thus the rate of cash outflow has been faster than it was in previous years. The HWSETA has put measures in place to manage the overcommitted state to ensure that sufficient funds are available when needed to make good on commitments that become due. The Grant Regulations requires SETA's to commit at least 95% of its reserves each financial year.

21.2 COMMITMENTS (CONTINUED)		
OPERATING COMMITMENTS	2021-2022 R'000	2020-2021 R'000
Approved and contracted:		
Procurement of Furniture and fittings	-	-
Procurement of IT equipment	-	-
	-	-
TOTAL COMMITMENTS - DISCRETIONARY AND OPERATING	1 444 589	1 629 268

22 OPERATING LEASES		
	2021-2022 R'000	2020-2021 R'000
At the balance sheet date, HWSETA has outstanding commitments under non-cancellable operating lease which fall due as follows:		
Not later than one year	14 158	8 568
Later than one year but not later than five years	57 933	8 416
	72 091	16 984

Refer to note 19

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

OFFICE	EFFECTIVE DATE	TERMINATION DATE	ESCALATION RATE
Head Office - Gauteng	01 March 2022	28 February 2027	7%
Northern Cape - Kimberley	01 March 2022	28 February 2027	10%
Eastern Cape - East London	01 April 2021	31 March 2026	8%
Mpumalanga - Nelspruit	01 April 2021	31 March 2026	7%
North West - Mafikeng	01 March 2022	28 February 2027	7%
Gauteng - Midrand	01 February 2022	31 January 2023	N/a
KZN - Durban	01 March 2022	28 February 2027	8%
Western Cape - Cape Town	01 March 2022	28 February 2027	6%
Free State - Bloemfontein	01 April 2021	31 March 2026	6,50%
Limpopo - Polokwane	01 March 2022	28 February 2023	N/a

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

There were no material losses through irregular as well as fruitless and wasteful expenditure incurred during the 2021-2022 year.

	2021-2022	2020-2021
	R'000	R'000
Irregular expenditure		
Opening balance	198 352	197 787
Incurrred during the period ***	668	565
Approved by the Board for removal **	(197 787)	-
Closing balance	1 233	198 352
** A request for condonation of irregular expenditure was submitted to the National Treasury but was however not granted. In its response the National Treasury indicated that it took note of the concerted effort undertaken to ensure compliance and prevent recurrence of similar irregular expenditure. The National Treasury further advised that the Board may consider removal of the irregular expenditure if it is satisfied that all the provisions of paragraph 58 (a) to (e) of the Irregular Expenditure Framework have been complied with.		
Fruitless and wasteful expenditure		
Opening balance	189	213
Incurrred during the period ***	21	-
Recovered from employee	-	(24)
Closing balance	210	189
Total irregular and fruitless and wasteful expenditure	1 443	198 541

*** Incurred during the period is made up of:

	2021-2022	2020-2021
	R'000	R'000
Irregular expenditure	668	565
Non compliance:		
Irregular appointment of three (3) Board members by the DHET. Since the appointments were undertaken by the DHET and the irregular expenditure cut accross all the SETAs, the DHET had submitted a condonation request to the National Treasury on behalf of all the SETAs. However, on 18 July 2022 the National Treasury declined the condonation request by the DHET.	668	565
Fruitless and wasteful expenditure	21	-
Salary paid to employee after resignation:		
An employee who had resigned was erroneously paid salary after they had left the HWSETA. The HWSETA is in the process of recovering the funds. Consequence management has been taken through a disciplinary process undertaken and a final written warning issued to the employee responsible for processing the transaction.	21	-

24 EVENTS AFTER BALANCE SHEET DATE

After satisfying itself that the provisions of paragraph 58 (a) to (e) of the Irregular Expenditure Framework were met, the Board approved the removal of irregular expenditure amounting to R197 million from the Annual Financial Statement incurred during the 2019-2020 financial year. This amount is made up of expenditure of R2.8 million relating to non-compliance with supply chain management regulations and R194 million relating to over-expenditure on the discretionary and mandatory budget. There were no other events after balance sheet date identified.

25 GOING CONCERN

In terms of the Government Gazette No. 42589 issued 22 July 2019 the HWSETA has been established up to 31 March 2030.

26 RISK MANAGEMENT

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

Interest rate risk

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

	Floating rate		Non-interest bearing	Total
	Amount R'000	Effective interest rate		
	Period end 31 March 2022			
Total financial assets				
Cash	370 932	3,90%	-	370 932
Accounts receivable			3 469	3 469
<i>Total financial liabilities</i>			(15 174)	(15 174)
	370 932		(11 705)	359 227
Year ended 31 March 2021				
Total financial assets				
Cash	591 656	4,37%	-	591 656
Accounts receivable			2 868	2 868
<i>Total financial liabilities</i>			(14 786)	(14 786)
	591 656		(11 918)	579 738

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

	2021-2022 R'000	2020-2021 R'000
Financial assets at amortised cost	374 401	594 524
Cash and cash equivalents	370 932	591 656
Receivables from exchange transactions	3 469	2 868
Financial liabilities at amortised cost	15 174	14 786
Payables from exchange transactions	15 174	14 786

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. This provision is only adjusted at year-end

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 July have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debts.

Credit ratings of HWSETA bankers:	(Fitch ratings)
Financial institution	
First Rand Bank Ltd.	BB
Nedbank Ltd.	BB
Standard Bank	BB
Corporation for public deposits	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 - An elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

The aging of receivable from exchange transactions:

	2021 - 2022		2020 - 2021	
	Gross	Impairment	Gross	Impairment
Not past due			-	-
0-30 days	702	-	863	-
31-120 days	-	-	-	-
120-365 days	-	-	-	-
Over a year (Rental deposits and Staff bursaries)	2 767	-	2 005	-
Carrying amount	3 469	-	2 868	-

Liquidity risk

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

The aging of payables from exchange transactions:

	2021 - 2022		2020 - 2021	
	Gross	Impairment	Gross	Impairment
Days	-	-	-	-
0-30 days	12 631	-	14 177	-
31-120 days	2 371	-	138	-
120-365 days	172	-	471	-
Over a year	-	-	-	-
Carrying amount	15 174	-	14 786	-

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.

27 LEVY CONTRIBUTING DEPARTMENTS

Since 1 April 2013, the National Department of Health and National Department of Social Development including the respective Provincial Departments have contributed levies to the HWSETA. This is in line with the Grant Regulations and related Cabinet Circular which became effective from 01 April 2013. In terms of the Grant Regulations and Cabinet Circular the departments must contribute a levy to the relevant SETA. The levy is 30% of 1% of their training budget (being 1% of their approved payroll budget). At the beginning of each financial year the HWSETA invoices the departments based on the payroll figures submitted by the departments to the HWSETA. Some departments settle their invoices in full while others make partial payments or simply default. A third of the receipts is allocated towards the administration/ operations of the HWSETA, with the remaining two thirds being allocated to discretionary grant funding. The HWSETA also funds some of the Health and Social Development projects through discretionary funding to fulfil some of its mandate.

Below are transactions with the National Department Health and National Department of Social Development including the respective Provincial Departments. These transactions relate mainly to levies invoiced and received as well as payments for discretionary funded projects.

	2021 - 2022		2020 - 2021		2021 - 2022	2020 - 2021
	Total contributions received	Total contributions expected	Total contributions received	Total contributions expected	Discretionary Grants Paid	Discretionary Grants Paid
	R'000	R'000	R'000	R'000	R'000	R'000
National						
Health	2 536	2 536	679	2 860	-	-
Social Development	1 532	1 532	1 533	1 613	-	-
Provincial						
Western Cape						
Health*	6 601	19 803	6 404	19 213	646	-
Social Development	2 788	2 788	2 814	2 962	-	-
Eastern Cape						
Health*	10 649	31 947	13 058	39 174	6 689	-
Social Development	5 587	5 587	3 953	4 161	4 470	-
Gauteng						
Health*	24 636	73 908	23 352	70 056	5 839	-
Social Development	5 782	6 086	5 910	6 221	-	-
Free State						
Health	22 000	22 000	21 000	21 000	5 074	-
Social Development	2 192	2 192	2 241	2 359	2 274	-

	2021 - 2022		2020 - 2021		2021 - 2022	2020 - 2021
	Total contributions received	Total contributions expected	Total contributions received	Total contributions expected	Discretionary Grants Paid	Discretionary Grants Paid
	R'000	R'000	R'000	R'000	R'000	R'000
Northern Cape						
Health	-	-	10 126	10 126	4 491	-
Social Development	1 410	1 410	1 517	1 517	1 377	-
Mpumalanga						
Health	22 451	27 777	23 530	23 530	-	-
Social Development*	-	-	-	-	-	-
Limpopo						
Health*	400	20 235	1 001	1 001	-	-
Social Development	-	-	-	-	656	-
Kwa-Zulu Natal						
Health	23 248	23 248	23 248	69 744	12 333	-
Social Development	4 033	4 033	5 140	5 411	1 465	-
North West						
Health	23 210	26 729	20 000	21 053	2 700	-
Social Development	3 136	3 136	3 121	3 121	-	-
	162 191	274 947	168 627	305 122	48 014	-

* The expected levy is based on salary information of the department that is publicly available. This information could not be confirmed with the relevant department.

28 RELATED PARTY TRANSACTIONS

Relationships

Controlling entity: **Department of Higher Education Science and Innovation**

The Executive Authority of the HWSETA is the Department of Higher Education Science and Innovation. There were no transactions with the Department of Higher Education Science and Innovation.

Related persons

Transactions with other SETAs, who are entities under common control. The HWSETA is a National Public Entity controlled by the DHET, it is considered to be related to other SETAs, the QCTO, Higher Health, NSF, TVETs, CETs and Universities. The transactions are consistent with normal operating relationships between entities and are undertaken on terms and conditions that are normal for such transactions.

All other balances and transactions below are at arms length and in the normal course of business.

Remuneration of Management

The disclosure of Remuneration made in terms of Board Members, Audit Committee Members and Senior Management have been disclosed under note 32 of the Annual Financial Statements.

Related Party transactions

The HWSETA is exempt from all the disclosure requirements in paragraph .27 in relation to related party transactions as transactions with these related parties occurs within normal supplier relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the HWSETA to have adopted if dealing with that individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

Related party balances and commitments**SETAs**

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

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

Related party	2021 - 2022		2020 - 2021	
	R'000		R'000	
	Transfers in/ (out) during the year	Amount receivable/ (payable)	Transfers in/ (out) during the year	Amount receivable/ payable
Receivables	1 320	2 712	18	1 392
W&R Seta	838	851	-	13
MICT Seta	25	25	-	-
Inseta Seta	454	454	-	-
Services Seta	3	3	-	-
LG Seta	-	214	-	214
ETDP Seta	-	1 165	-	1 165
Bank Seta	-	-	18	-
Payables	(885)	(959)	24	(75)
Merseta	(184)	(209)	9	(26)
MICT Seta	(11)	(11)	-	-
Teta Seta	(76)	(76)	-	-
Services Seta	(241)	(241)	-	-
Food Beverage Seta	-	(4)	-	(4)
FMP Seta	-	-	5	-
Agri Seta	(5)	(5)	-	-
MQA Seta	(92)	(92)	-	-
Inseta	(3)	(3)	1	-
ETDP Seta	-	-	1	-
CHIETA	(203)	(203)	3	-
W&R Seta	-	(45)	-	(45)
CETA	(70)	(70)	5	-
Total	435	1 753	42	1 317

Discretionary projects	2021 - 2022	
	R'000	
	Invoiced	Receivables
Bank Seta	274	274
ETDP Seta	4 400	4 400

Universities, TVETs, CETs and Higher Health

Financial year 2021 - 2022	Universities	TVETs	CETs	Higher Health	Total
Total receivables	-	-	-	-	-
Total commitments balance	156 965	22 735	15 940	6 605	202 245
Accounts payable	-	-	-	-	-

Universities, TVETs, CETs and Higher Health

Financial year 2020 - 2021	Universities	TVETs	CETs	Higher Health	Total
Total receivables	-	-	-	-	-
Total commitments balance	320 310	40 662	675	8 975	379 597
Accounts payable	-	-	-	-	-

National Skills Fund

	2021-2022	2020-2021
	R'000	R'000
NSF Advance receipts	1	1

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

	2021-2022	2020-2021
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	(199 376)	(429 326)
Adjusted for non-cash items:	-	-
Depreciation	2 624	2 582
Write off of assets	-	-
Amortisation	5	4
Other	(3)	-
Provision for staff bonuses	4 878	2 285
Investment income	(14 448)	(25 874)
Levy exempt provision - Current year	2 110	1 942
Levy exempt Reversals	(1 257)	(2 701)
Adjusted for working capital changes:	(27 624)	(83 350)
(Increase)/Decrease in inventory	73	144
(Increase)/Decrease in receivables	(377)	(29 560)
(Decrease)/Increase in smoothing lease	442	-
Increase/(Decrease) in payables	(27 761)	(53 934)
Cash generated from operations	(233 090)	(534 438)

30 CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of HWSETA's accounting policy, management is required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results for May 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 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.

1. 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	2 to 6 years
Computer Software	2 to 6 years
Office furniture and fittings	10 to 20 years
Office equipment	10 to 15 years
Motor vehicles	5 to 10 years

The HWSETA has reviewed the residual values used for the purpose of the 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.

2. Levy exempt payables

The HWSETA recognises a payable in respect of SDL levy refunds due to Levy exempt employers. This payable is a provision based on levies received from possible levy exempt entities. Refer to note 16

31 SEGMENT REPORTING

"In terms of GRAP 18 paragraph 05. A segment is an activity of an entity:

- (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) for which separate financial information is available."

The accounting authority does not review projects in terms of segments to make decisions and assessing the performance. Projects are approved individually based on the funding module. The HWSETA does not have any segments as defined by GRAP 18, Paragraph 5 (b). Therefore this has not been reported on.

32 BOARD REMUNERATION

Financial year 2021 - 2022

Names	Designation	Total	Allowances	Travel and Subsistence Allowances	
			Meeting Attendance and Preparation	Reimbursement	Cell Phone
		R'000	R'000	R'000	R'000
Dr. NV Mnisi	Chairperson	327	308	6	13
Dr. N Ndzwayiba	Board member	91	91	-	-
Mr. SR Kgara	Board member	96	96	-	-
Dr. JK Mothudi	Board member	204	198	-	6
Ms. N Xulu	Board member	113	113	-	-
Ms. DM Sebopa	Board member	48	48	-	-
Ms. TA Mbotshane	Board member	198	192	-	6
Dr. LD Marutle	Board member	235	229	-	6
Ms. BP Malope	Board member	106	98	8	-
Ms. L Harie	Board member	170	170	-	-
Ms. LP Duma	Board member	198	192	-	6
Dr. S Kabane	Board member	71	71	-	-
Ms. P Yongama	Co-opted member - Appointed 01/10/2021	16	16	-	-
Ms. GP Mnguni	Co-opted member - Appointed 01/04/2021; Resigned 02/06/2021	7	7	-	-
		1 880	1 829	14	37

Independent Audit Committee Member Remuneration

Financial year 2021 - 2022

Names		Total	Meeting Attendance	Travel and Subsistence Allowances
		R'000	R'000	R'000
Mr. CG Higgins	Independent member/ Chairperson	140	140	-
Ms. MI Mathatho	Independent member/Deputy Chairperson	52	52	-
Mr. W Carrim	Independent member	130	130	-
		322	322	-

Senior Management Remuneration**Financial year 2021 - 2022**

Names		Total	Basic	Travel	Cell Phone	Bonus
		R'000	R'000	R'000	R'000	R'000
Mrs. E Brass	Chief Executive Officer	2 286	1 923	120	15	228
Ms. Z Mafata	Chief Financial Officer	1 828	1 652	-	9	167
Mr. AK Pardesi	Executive - Corporate Services	1 820	1 616	12	6	186
Mr. C Peters	Executive - Provincial Offices	1 612	1 312	144	9	147
Mr. SB Gcabashe	Executive - SDP	1 745	1 447	120	3	175
Ms. BJ Motubatse	Executive - ETQA	1 546	1 280	120	5	141
Ms. B Plaatjie	Executive - RIME	1 537	1 309	66	8	154
		12 374	10 539	582	55	1 198

BOARD REMUNERATION**Financial year 2020 - 2021**

Names	Designation	Total	Allowances	Travel and Subsistence Allowances	
			Meeting Attendance and Preparation	Reimbursement	Cell Phone
		R'000	R'000	R'000	R'000
Dr. NV Mnisi	Chairperson	121	91	14	16
Dr. N Ndzwayiba	Board member	147	145	-	2
Dr. CC Nkuna	Board member	2	2	-	-
Ms. M Nkambule	Board member	3	3	-	-
Mr. M Khanyeza	Board member	2	2	-	-
Mr. RM Maleka	Board member	18	17	-	1
Mr. SR Kgara	Board member	114	112	-	2
Dr. JK Mothudi	Board member	229	220	-	9
Ms. N Xulu	Board member	137	135	-	2
Ms. DM Sebopa	Board member	134	132	-	2
Ms. TA Mbotshane	Board member	239	230	-	9
Dr. LD Marutle	Board member	277	268	-	9
Ms. BP Malope	Board member	168	166	-	2
Ms. L Harie	Board member	199	197	-	2
Ms. LP Duma	Board member	213	204	-	9
Mr. A Kyereh	Co-opted member	60	60	-	-
Mr. P Hill	Co-opted member	42	42	-	-
		2 105	2 026	14	65

Independent Audit Committee Member Remuneration**Financial year 2020 - 2021**

Names		Total	Meeting Attendance	Travel and Subsistence Allowances
		R'000	R'000	R'000
Mr. CG Higgins	Independent member/ Chairperson	112	112	-
Ms. MP Ramutsheli	Independent member - 10 months	52	52	-
Ms. P Motlokoa	Independent member - 10 months	52	52	-
Ms. MI Mathatho	Independent member/Deputy Chairperson - 2 months	13	13	-
Mr. W Carrim	Independent member - 2 months	13	13	-
		242	242	-

Senior Management Remuneration**Financial year 2020 - 2021**

Names		Total	Basic	Travel	Cell Phone	Bonus
		R'000	R'000	R'000	R'000	R'000
Mrs. E Brass	Chief Executive Officer	2 229	1 881	120	19	209
Ms. Z Mafata	Chief Financial Officer	1 746	1 620	-	12	114
Mr. AK Pardesi	Executive - Corporate Services	1 893	1 685	-	11	197
Mr. C Peters	Executive - Provincial Offices	1 574	1 286	164	11	113
Mr. SB Gcabashe	Executive - SDP	1 723	1 413	120	5	185
Ms. BJ Motubatse	Executive - ETQA	1 651	1 371	125	4	151
Ms. B Plaatjie	Executive - RIME	1 515	1 277	66	9	163
		12 331	10 533	595	71	1 132

33 PRESENTATION OF BUDGET INFORMATION**Reconciliation of budget surplus with the deficit in the statement of financial performance - 2021 - 2022**

	R'000
Net deficit per the statement of financial performance	(199 376)
Adjusted for:	
Impairments recognised	-
Surplus on sale of assets	-
Loss on scrapping of assets	-
Increase/decrease in provisions	-
Effect of smoothing relating to operating leases	-
Adjustments relating to Finance charges for finance leases on rental	-
	(199 376)
Participation on mandatory grants	3 975
Utilisation of reserves for discretionary grants	(150 679)
Underspending on administration expenses	(3 245)
	(349 325)
Exceeded budget collection of revenue plus transfer of reserves	346 937
Net surplus per approved budget before capital expenditure	(2 388)

FACTORS RESULTING IN MAJOR VARIANCES BETWEEN ACTUAL COSTS AND BUDGETED COSTS:

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

1. Mandatory grant expense is higher than expected due to more employers participating in the WSP process compared to prior years.
2. The original budgeting for Skills Development levies was conservative given the uncertainties around Covid-19 and the contribution holiday of the 2020-2021 financial year. Post the contribution holiday revenue trends were positive and were in line with pre-Covid-19 period which resulted in the upward adjustment of revenue budget.
3. The disbursement of discretionary grants has improved remarkably in the last two years due to increased capacity, improved processes and a concerted effort to reduce bottlenecks in the disbursement of discretionary grants. This has also prompted the utilisation of the approved surplus against the payment of discretionary grants.
4. Administration expenditure budget was also adjusted to take into account expenditure that was to be incurred following the easing of Covid-19 restrictions and this included travel expenses, accommodation for face to face workshops and well as other marketing initiatives such as branding for HWSETA events.

Reconciliation of budget surplus with the surplus in the statement of financial performance - 2020 - 2021

	R'000
Net deficit per the statement of financial performance	(429 326)
Adjusted for:	
Impairments recognised	-
Surplus on sale of assets	-
Loss on scrapping of assets	-
Increase/decrease in provisions	-
Effect of smoothing relating to operating leases	-
Adjustments relating to Finance charges for finance leases on rental	-
	<u>(429 326)</u>
Participation on mandatory grants	(12 622)
Utilisation of reserves for discretionary grants	(39 320)
Underspending on administration expenses	7 009
	<u>(474 259)</u>
Exceeded budget collection of revenue	477 259
Net surplus per approved budget before capital expenditure	<u>3 000</u>

FACTOR RESULTING IN MAJOR VARIANCES BETWEEN ACTUAL COSTS AND BUDGETED COSTS:

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

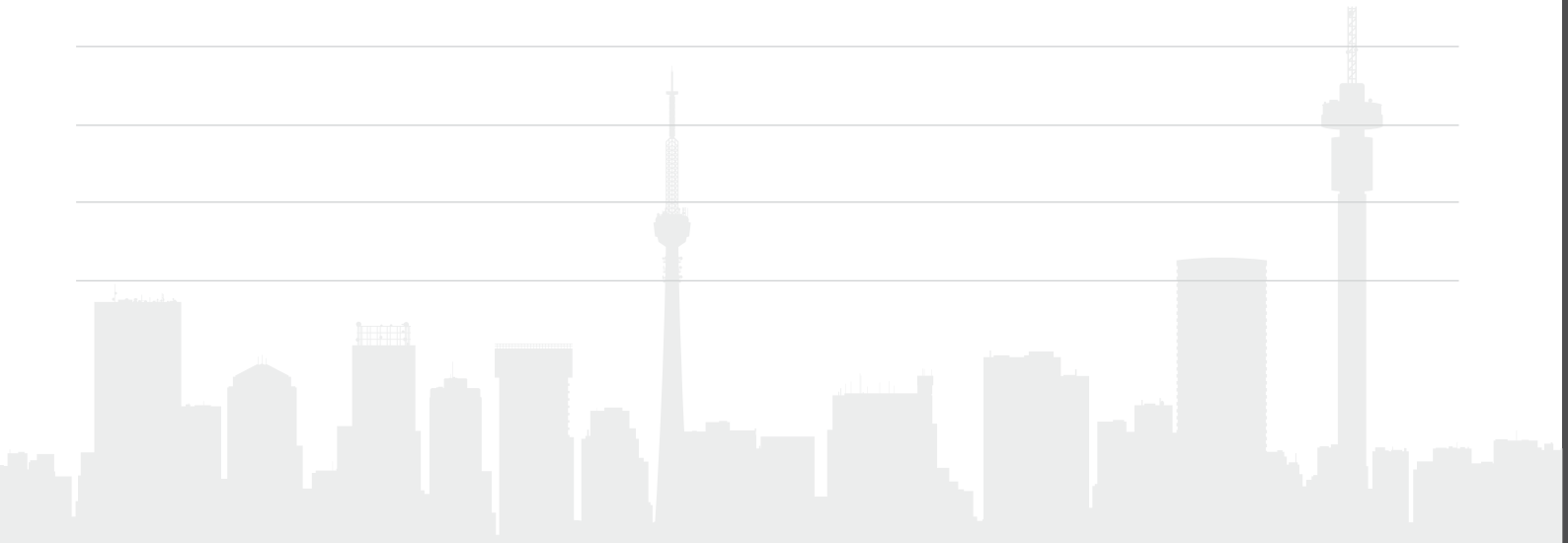
1. The Grant levies budget for the current year is based on a Covid-19 adjusted budget due to the impact the pandemic had on the private health sector. The four month skills development levy contribution holiday announced by the State President in April 2020 had a severe impact on levy revenue for the year under review resulting in the budget being adjusted significantly to take into account the impact of the pandemic on operations. While the actual revenue is almost on budget, it is significantly lower than previous financial years as a result of the negative impact of the pandemic.
2. Government levies are higher than expected despite outstanding levies from two Departments. This is due to rigorous debtor management adopted by the HWSETA which includes timeous invoicing and constant follow up of invoiced amounts resulting in improved collection rate.
3. The disbursement of discretionary grants has improved remarkably in the last two years due to increased capacity, improved processes and a concerted effort to reduce bottlenecks in the disbursement of discretionary grants.
4. Savings on the administration budget are mainly due to cautious spending given reduced income mainly affected by the four month skills development levy contribution holiday as well as Covid-19 induced expenditure savings for expenditure line items such as travel & accommodation. Furthermore, the planned office move for seven offices did not take place due to bids submitted for tender not meeting minimum requirements thus some of the budget for office move was not used.

Financial Year 2021-22	Original Approved Budget at start of year 2021-2022	Final Approved Adjusted Budget at end of year 2021-2022	Difference	Original Approved Budget at start of year 2020-2021	Final Approved Adjusted Budget at end of year 2020-2021
	R'000	R'000		R'000	R'000
Levy income	323 043	566 756	243 713	538 406	405 980
Government levy contributions	128 235	175 877	47 642	160 293	104 190
Investment income - interest	34 511	29 583	(4 928)	69 022	30 663
Retention of surplus utilisation	-	350 000	350 000		500 000
Total Income	485 789	1 122 216	636 427	767 721	1 040 833
Total Expenditure	482 789	1 119 216	636 427	764 721	1 037 833
Administration expenditure	148 174	165 364	17 190	162 632	143 169
Mandatory grants expenditure	51 606	92 098	40 492	92 626	65 972
Discretionary grant expenditure	283 009	861 754	578 745	509 463	828 692
Surplus for the period	3 000	3 000	-	3 000	3 000
Less: capital expenditure	3 000	3 000	-	3 000	3 000
Surplus after capital expenditure	-	-	-	-	-

The adjustments to the original approved budget of 2021-2022 (approved in March 2021), were made due to information available six months into the 2021-22 financial year. Certain assumptions that were made in the original budget were then tested, and actual operational needs had changed in some instances relating to administrative expenditure, grant expenditure and revenue expectations. Changes to the approved budget included:

- 1) The Skills Development Levy budget had to be adjusted to take into account the conservative budget that was adopted due to the COVID-19 uncertainties at the time the budget process was undertaken. The positive revenue trends prompted the upward revision of the skills development levy budget as the actual receipts were close to the pre-COVID-19 period.
- 2) Investment income was adjusted downwards due to the expected outflow of cash on discretionally grant payments as well as the decline in the repo rate throughout the 2020-2021 and part of the 2021-2022 financial years announced by the Reserve Bank Governor which impacted the interest rates and therefore interest earned.
- 3) The Mandatory income follows the increase in the Skills Development Levy income.
- 4) Administration budget was increased as expenditure previously held back due to COVID-19 restrictions could be incurred e.g travel, accommodation for face to face workshop etc.
- 5) The budget for discretionary grant spending was increased to include the retention of 2020-2021 surplus that was approved by the National Treasury.

■ NOTES



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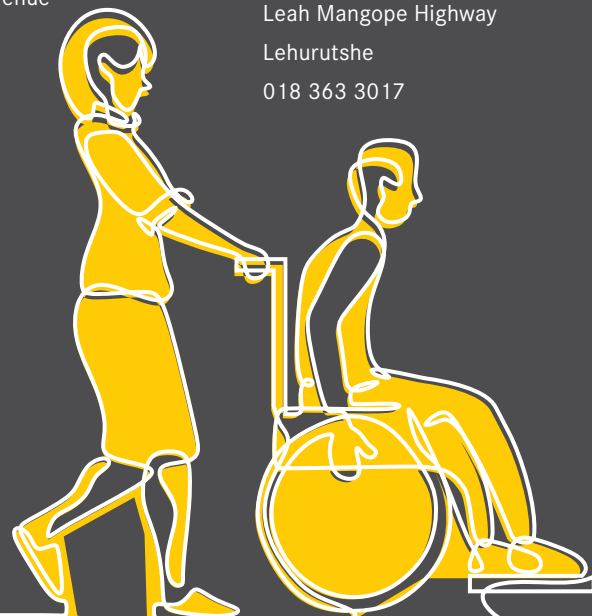
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