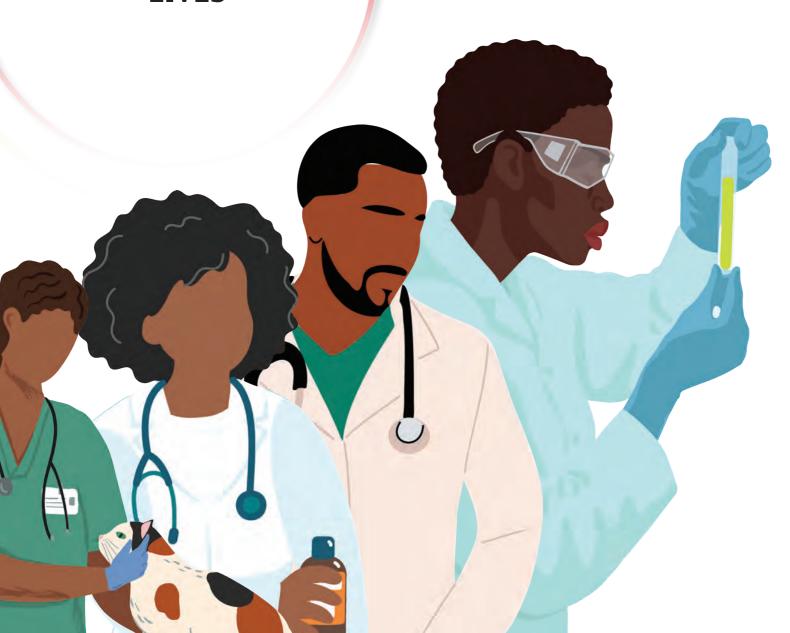


Annual Report 2023/24

HWSETA is dedicated to TRANSFORMING LIVES





### HWSETA ANNUAL REPORT 2023/24







Ms Nobuhle Nkabane Minister of Higher Education and Training



Ms Mimmy Gondwe Deputy Minister of Higher Education and Training



Mr Buti Manamela Deputy Minister of Higher Education and Training

RP113/2024 ISBN: 978-0-621-52013-2

# RPL class

# of 2023 graduates

Five HWSETA graduation ceremonies between September 2023 and February 2024 celebrated the hard work and excellence of the recognition of prior learning (RPL) class of 2023. RPL is a programme that facilitates the recognition of the previous skills and knowledge of students by higher institutions. The process involves identifying what the candidate knows and can do, matching the candidate's skills and knowledge to specific standards, assessing the candidate against those standards, and crediting the candidate.

The RPL at HWSETA programme commenced with the capacitation of providers to equip them on how to implement it. This was a decision supported by the steering committee chaired by HWSETA with the Department of Social Development as secretariat. RPL may be developed and implemented differently for the purposes of personal development, further learning and advancement in the workplace, and recognition within the three sub-frameworks of the National Qualifications Framework (NQF).

"The first group to be assessed through the RPL was to achieve a community development qualification at Level 5. Child and youth care work qualification RPL assessments then followed, and community care givers were found competent. Today we are gathered here to honour and celebrate these hardworking cadres who dedicated their time to compile POEs to show the skills they had acquired through years of dedication to their jobs," said Baakedi Motubatse the ETQA Executive Manager at the HWSETA.

At the East London graduation, special delegates attended the event, including the BCM Executive Major Ms Princess Faku, CEO of the HWSETA Ms Elaine Brass, HWSETA Board Chairperson Dr Nomfundo Mnisi, EC DSD MEC Honorable Bukiwe Fanta and the Minister of Social Development Hon Lindiwe Zulu.

In her keynote address, the minister said: "Sometimes experience is more valuable than a qualification. Thanks to RPL, previous skills, experience and working knowledge can lessen the time it takes to complete a course and get people working towards their career goals faster."

The graduations demonstrated that the HWSETA, together with the Department of Social Development, yet again achieved another successful RPL programme that will positively impact many people. HWSETA thanks everyone who participated.







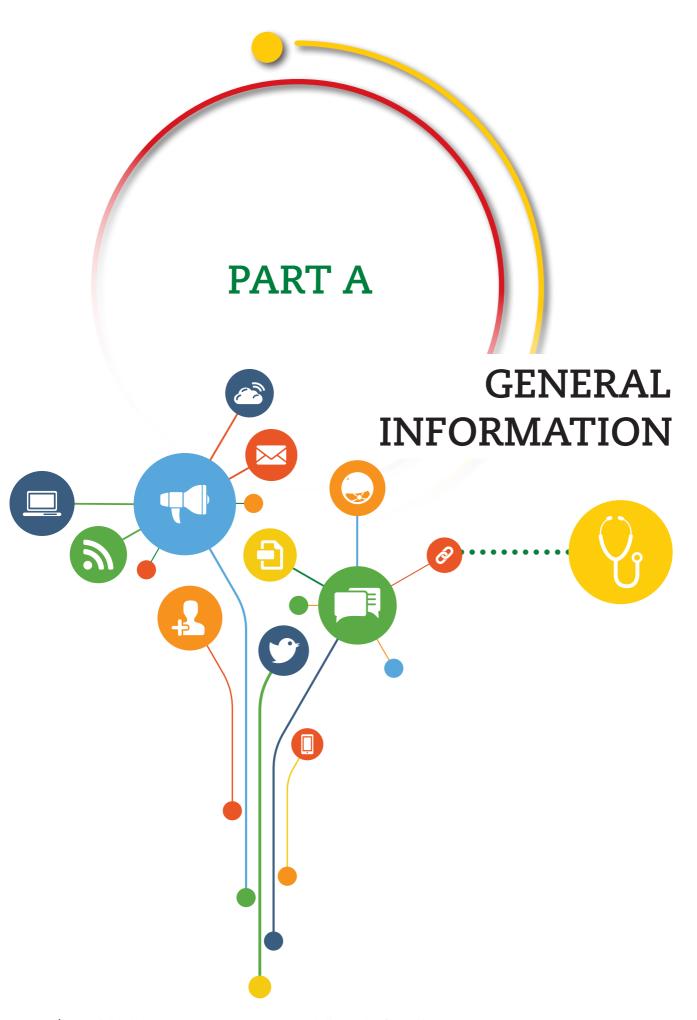




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# PART A General Information

### **ENTITY DETAILS**

Registered Name of Entity: Health and Welfare Sector Education

and Training Authority

Registration Number: 11/HWSETA/01/04/20

Registered Office Address: 17 Bradford Road,

Bedfordview, Johannesburg

Tel: +27 11 607 6900

Email: hwseta@hwseta.org.za

Postal Address: Private Bag X15,

Gardenview, 2047

**External Auditors Information:** The Auditor-General of South Africa,

Lefika House, Pretoria

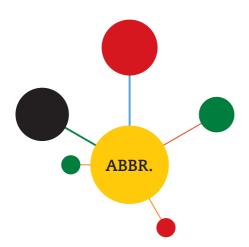
Bankers Information: Standard Bank of South Africa

303 Eastgate Office Towers

43 Bradford Road, Bedfordview, 2008

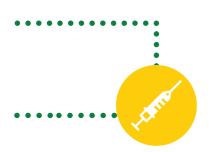
Corporation for Public Deposits (CPD)

PO Box 427, Pretoria, 0001



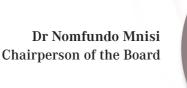
### LIST OF ABBREVIATIONS/ACRONYMS

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



# **FOREWORD**

by the Chairperson





It is an honour that I present the HWSETA's annual report for 2023/24, which was another good year for us. We hit some milestones, faced and turned around challenges and provided strategic direction.

We'd like you to join us in welcoming our new members, Dr. Nonhlanhla Makhanya and Mr. Justice Shiburi, who joined us during the year, we thank them for their contribution so far. We also bade farewell to Ms. Tselane Mbotshane, who had a big impact since she started this term in April 2020.

One of my personal highlights from our activity for 2023/24 is the unqualified audit opinion for the HWSETA. I am pleased to announce that we delivered on the commitment we made after the unfortunate audit qualification in 2022/23, to improve the HWSETA's audit opinion. This is testament to our commitment to sound leadership, financial management and governance, and the result of the dedication and hard work of our finance team and entire organisation. We will continue with our commitment towards the best audit outcome.

### On a high note:

Our performance targets for the year stood at a commendable 76%. We remain focused on exceeding expectations and delivering maximum impact in the animal health, health and welfare sectors. The targets include those of African learners (88%), rural areas (65%) and women learners (72%). Regrettably, we were unable to make the target for learners with disabilities.

Project Fix to addressed the issues identified by AGSA in the prior years in order to remedy the underlying root causes. The outcome was the unqualified audit opinion, our pride.

- The roll out of the National Civic Education and Health Skills programme by the Minister of High Education, Science and Innovation is potentially a game changer in South African society. This programme, in which HWSETA is a partner, will prepare students for the job market by exposing them to the top 10 soft skills or graduate attributes most sought after by employers, as well as seeking to provide the skills needed to cope with and understand the challenges faced in society today.
- The production of six research reports, exceeding our target. These are available on our website.

We continue to engage with our stakeholders to ensure that we understand the needs of our sector, and with this our research remains strong, formulating our strategic plans and annual performance plans. We realised an improvement in the animal health sector following our strategic awareness activities and increased stakeholders involvement. Our continued engagement with the welfare sector continued to address the diverse social needs of the country. We appreciate the engagement with health sector in addressing the various challenges experienced, including unemployment of new graduates.

As we move into the final year of our current Board, which ends in March 2025, I would like to thank the members for their unwavering support in the stewardship of the HWSETA. In particular, I pay tribute to the Board members

who serve in the different committees of the Board. The attention to detail of each one of our Board and committee members is deeply appreciated.

On a broader front, it is also my privilege to express the commitment of the HWSETA to the incoming seventh administration of the South African government. As the SETA that serves some of the most crucial aspects of our country's wellbeing — that of health (human and animal) and welfare — our country's leadership can rest assured that we will continue to do all we can for the betterment of these crucial sectors.

It would be remiss of me to omit thanking all our stakeholders, partners and highlighting our levy payers, who help to create an enabling environment for the HWSETA to discharge its mandate. These include organised labour in the sector, provincial and national Departments of Health and Social Development, employers in the private sector, non-governmental organisations (NGOs) and academic institutions.

As we look ahead, we remain steadfast in our commitment to creating a skilled and competent health care and welfare workforce, with a tangible positive impact in our communities, especially the previously disadvantaged. We will continue to invest in innovative programmes, strengthen partnerships, adapt to the evolving needs of the sector and ensuring inclusivity in all spheres.

The HWSETA continues to invest wisely as "Training is not an expense, but an investment in human capital" Roy H. Williams and "an investment in knowledge pays the best interest" Benjamin Franklin.

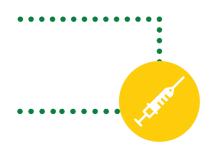
I invite you to explore this report to gain a deeper understanding of our work.

Sincerely,

Ø--

Dr. N.V. Mnisi Chairperson of the Board





# **REPORT**Chief Executive Officer



Ms Elaine Brass Chief Executive Officer

I am pleased to present the Annual Report of the HWSETA for 2023/24. This year has seen significant achievements and milestones for our organisation, and I am delighted to share these highlights with you.

Chief of these is the achievement of meeting 76% of our performance targets. This accomplishment reflects the dedication and hard work of our talented employees who consistently strive towards meeting the needs of our sectors. Regrettably, the result was short of what we aimed to achieve. This was due to some employers not being able to take up the allocated funding for various reasons, the current tough economic climate in which employers cannot afford to let staff go on lengthy learnerships and training, and the challenges we face with timeous receipt of proof of completions on our programmes. Our annual performance plan (APP) was amended during the year to take into account priority areas as identified by our Executive Authority. The timing of the approval of the amended APP close to the end of the year also had an impact on us, resulting in the HWSETA meeting lower than expected targets.

Noteworthy is the significant improvement in our processes and reporting of performance information. Particularly pleasing is the AGSA's unqualified opinion on our performance information with no findings. The HWSETA has put further measures in place to accurately report and analyse our performance going forward.

A total of 10 084 learners were funded this year, and of these learners, 1 498 (31%) were entered into workplace-based learning programmes, 5 424 (54%) were entered into skills-based training programme, and 3 162 (15%) were entered into bursaries programmes.

Of the 10 084 funded learners, 2 407 were employed (29%) while 6 494 (71%) were unemployed.

On average across our programmes, 88% of learners were African, thereby exceeding our targets in this respect. We also achieved above our target of 50% of learners from rural areas with 65% of learners in this category. Our targets for women learners were also met, but we were 1 percentage point below our target of 5% in the support of persons with disabilities across our programmes.

The HWSETA funded 76 small businesses for skills development, 8 rural development and public sector projects, and 19 cooperatives. The targets in these areas were well met. The HWSETA overachieved significantly on the target to support officials from NGOs and NPOs funded for skills development. Our target for the number of levy exempt organisations supported this year decreased from the previous period due to lower participation.

Our post graduate bursaries awarded remain exceptionally successful, in which all targets for employed and unemployed learners were overachieved. The achievements on learnerships, our main funding area, remained below target especially relating to employed learners, as employers and learners found it difficult to meaningfully participate in programmes of longer duration due to commitments in the workplace. This was the same for bursaries for

employed learners. However, those employed learners who had already entered bursaries continued with their studies. Unemployed learners who started their bursary funded by the HWSETA also continued with their studies.

We fell short of our targets on the internship programme by unemployed learners due to delayed recruitment of learners from TVET colleges and universities. Skills programmes for employed learners proved to be more expensive this year than budgeted for; hence our underachievement in this area. However, we achieved over 198% of our targets on unemployed learners in skills programmes.

Our artisan programme remains strong with a successful uptake and completion rate. University students are utilising the work integrated programme well and we have achieved our targets in this area.

Our learnerships and internship programmes have proven to equip learners for the workplace and their success has translated into high rates of employment. Phlebotomy is a skill in high demand with great outcomes for employment. Support for early childhood development (ECD) has been in demand and a priority of government. This year we supported 120 rural women learners on an ECD programme in which all learners had a disability.

Through our strong partnership with Higher Health and QCTO, the National Civic Education and Health Skills Programme was developed. The Minister of Higher Education, Science and Innovation launched the programme in July 2023. This programme is significant, and although initially to be rolled out to the PSET sector, it is in fact a programme for all South African citizens and could prove to be a game changer in our society. The HWSETA funded 5 000 learners on this skills programme as a pilot.

We cannot achieve without our dedicated partners, and we salute you.

The HWSETA entered 1 923 partnerships, which comprised 1 737 partnerships with large, medium and small employers in our sector, 39 partnerships with non-profit organisations, 10 partnerships with national and provincial government departments, 23 public universities, 6 TVET and other colleges, and 108 employer organisations for workplace-based training of unemployed persons. Our targets in these areas were successfully met except for partnerships with CET colleges which must be focused on in the next period. Our partnerships remain strong and impactful for the HWSETA. With our key partners, we are striving towards making a greater impact across our sectors.

The target for certificates issued by the HWSETA for learners who have successfully completed their qualifications was once again well overachieved. We continue to support qualification development in the sector for occupationally

developed qualifications and skills programmes. Our support of 255 learners to achieve their qualifications through an RPL programme was much appreciated by the sector. This year we held graduations for RPL in several provinces for over 900 RPL graduates in the area of community development practitioners and child and youth care workers who have come through our SETA over the last few years. This is indeed a milestone.

As already noted, the HWESTA received an unqualified audit opinion on its annual financial statements for 2023/24. This was a complete turnaround from our qualification of last year. If it had not been for the presentation of the prior period error adjustment in the annual financial statements, the HWSETA would have not been close to a clean audit this year. This independent evaluation by the AGSA validates our commitment to transparency, accountability and good governance. It demonstrates our steadfast adherence to strict financial and operational standards, ensuring that our resources are managed efficiently and effectively. The HWSETA rolled out "Project Fix" to ensure we overcame the qualification, strengthened our internal control, reviewed our commitments and improved our systems, all of which resulted in the HWSETA being stronger and achieving an unqualified audit.

In addition to these noteworthy achievements, we have made substantial progress in various other aspects of our business. Our continued investment in research and development has resulted in groundbreaking innovations and revolutionary collaborations that will shape the future of our sectors. We produced six research reports this year, exceeding our target by one. These can be found on our website. We have continued to strengthen our monitoring and evaluation where we use our dedicated subdivision to report back to the HWSETA on the effectiveness of our projects, and whether our objectives were met. Recommendations are taken forward to ensure projects are continuously improved and we learn further.

We continue to automate our processes and 95% of our positions have been filled. We have a footprint in every province, with these offices well equipped to assist in the achievement of our targets and operations. Our social presence with marketing and communication continues to grow.

Looking ahead, we remain focused on driving sustainable partnerships and impact, fostering innovation, and exceeding sector expectations. We recognise the challenges that lie ahead, but we are confident in our ability to navigate them successfully.

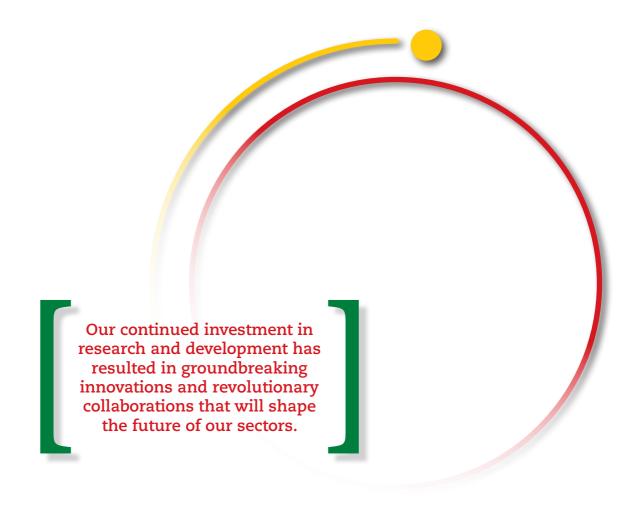
I would like to extend my heartfelt appreciation to our employers, stakeholders, partners and employees who have continuously supported us on this remarkable journey of education and training to make a difference in our country. Your unwavering commitment and trust in the HWSETA inspires us to new heights and to pursue excellence. With you in mind, we are encouraged to do better, grow and improve continuously to ensure better service delivery, impact and relevance.

We extend our appreciation to our Board, Audit and Risk Committee, Standing Committees of the Board as well as our Executive Authority and the Department of Higher Education and Training. You ensure we drive our mandate well, remain relevant and work in a firm framework of good governance. Without the support, commitment and dedication of our Board members, independent members and staff we would not have succeeded turning our audit qualification into a success story.

I invite you to delve into the annual report of 2023/24 for a comprehensive overview of our performance, achievements, and future prospects. Together, we can build a brighter future and deliver sustained value for all our stakeholders.

Thank you Sincerely as always,

Ms Elaine Brass Chief Executive Officer



### **HWSETA launches**

# Siyakhulisa Mentorship Programme

### for High School pupils in Colesberg, Northern Cape







The HWSETA exists to achieve skills development planning, programmes and initiatives in the health and social development sectors. For this reason, the HWSETA launched an exciting mentorship initiative, called Siyakhulisa, in which it is looking to assist Grade 10-12 learners from rural areas who are excelling in mathematics and physical science/life science through high school and further fund their tertiary education.

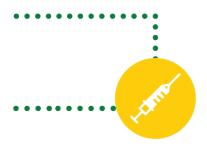
"Siyakhulisa" is an isiZulu phrase that means "we are uplifting/growing". The first province to launch was in Northern Cape, Colesberg at Umso High School. In September it was launched at Mbekweni High School in the Eastern Cape, and in North West in October 2023. With the assistance of the Department of Education, HWSETA will be identifying ten learners in each province to join this initiative.

The programme was launched through a career guidance exhibition, in which the HWSETA and various other SETAs in different sectors were present to guide the learners to make informed decisions about the right career paths.

"Learners from rural communities face many challenges. This mentorship programme will expose them to different careers in the health and social sectors, while also providing them with psychosocial services," said Clayton Peters, HWSETA's provincial executive manager.

He added that rural learners must not only think that jobs at hair salons or "chisa nyamas" are the only jobs for them.

The HWSETA will expand the mentorship programme to other provinces by hosting a career guidance exhibition. The goal is to secure 90 learners on the programme for whom the HWSETA will provide funding assistance to study in the health and social sector once they have completed matric.



# **STATEMENT** of Responsibility

### 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 F) 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 2024.

Dr Nomfundo V. Mnisi

Chairperson of the HWSETA

Date: 31 July 2024

### **Our Mission**

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

### Legislative Mandates

The HWSETA derives its mandate from:

- The Skills Development Act, 1998 (Act No. 97 of 1998), as amended;
- The Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended;
- The South African Qualifications Authority Act, 1995 (Act No. 58 of 1995) as amended;
- The Quality Council for Trades and Occupations Act;
- The Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) as amended (Schedule 3 Public Entity);
- 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.

### **Our Vision**

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

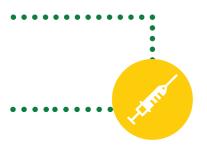
### **Our Values**



### **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.



# ORGANISATIONAL Structure

### HWSETA BOARD: COMPRISING 15 MEMBERS

(Refer Part C: Governance for more detailed information)



Chief Executive Officer

Ms Elaine Brass



Chief Financial Officer

Ms Zandile Mafata



Executive Manager: Corporate Services (CS) Division **Mr Bob Pardesi** 



Executive Manager: Skills Development Planning (SDP) Division **Mr Sikhumbuzo Gcabashe** 



Executive Manager: Education Training Quality
Assurance (ETQA) Division
Ms Baakedi Motubatse



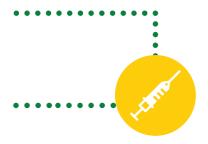
Executive Manager: Research Information Monitoring and Evaluation (RIME) Division

Mrs Bulelwa Plaatjie



Executive Manager: Provinces **Mr Clayton Peters** 





# **OVERVIEW** of the HWSETA

### 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.

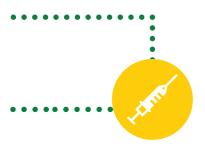
South Africa's economy is divided into functional sectors that are all represented by one of the 21 Sector Education Training Authorities (SETAs). In short, the HWSETA exists to drive skills development and act as an advisory body on the education, training and skills development requirements of the 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. Demand currently outstrips 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;
- Monitor 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.





# Annual PERFORMANCE

**Information Report** 

#### 2.4.1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 137 of AG report.

#### 2.4.2 OVERVIEW OF HWSETA PERFORMANCE

### a) Service Delivery Environment

The year under review was the second year of economic recovery from the COVID-19 pandemic between 2020 and 2023. The HWSETA enjoyed some successes but also grappled with challenges posed by its service delivery environment. These are summarised as follows:

In 2023/24 the HWSETA met a number of challenges arising from its service delivery environment. These challenges were mitigated through the following interventions:

- 1. To support the sector the HWSETA introduced the Social Entrepreneurship Programme for supporting social work graduates to open new enterprises and thus create employment for themselves. Thirty social work graduates participated in the programme as a pioneering group and by the end of the financial year they had opened 30 non-profit companies (NPCs) as new enterprises.
  - In 2024/25 these graduates who are now owners of social enterprises will be capacitated to develop enterprises that will generate their own revenue. Financial support from social enterprise funders will be sought to transition the new enterprises to a position of running independently from the HWSETA. Their sustainability will also be monitored.
- 2. The HWSETA implemented a strategy to support changes arising from the new education landscape for **nurses and emergency services (EMS).** These changes resulted in shortages on specific categories of occupations, such as the nursing occupation that required more nursing specialist.
  - The HWSETA introduced a new programme for post-graduate bursaries for workers to study nursing specialisations at NQF level 8, and bursaries to support EMS workers for qualifications at NQF levels 5 to 7.
  - Due to funding constraints, the HWSETA could only offer partial funding for training. Employers agreed to fund the remaining portion of training costs with conditions for workers requiring support. This resulted in most workers declining to take up the financial support offered.

In 2024/, the HWSETA will designate the post-graduate bursary programme as a priority programme and will allocate a budget to cover the full bursary amount for post-graduate nursing specialisation workers.

3. The HWSETA was unable to attract sufficient workers to participate in workplace-based programmes with a longer-term duration. This resulted in the HWSETA not fully achieving its targets for workers for these programmes.

In 2024/25, the HWSETA will conduct an evaluation study to explore the most suitable design of workplace-based programme for workers. This will involve engagement with employers as key informants as well as workers and officials of the HWSETA responsible for implementing skills development programmes of the HWSETA.

The HWSETA conducted a PESTEL (political, economic, social ,technological, environmental, and legal) factor analysis survey to scan its external environment to identify factors impacting operations of the health and social development sector, thereby impacting skills demand or supply. The aim of the PESTEL factor analysis survey was to provide a situational analysis of the external environment by scanning the business environment for threats and opportunities. A sample of 111 organisations participated in the survey conducted in August 2023. The key findings of this survey indicated the main factors that impact the health and social development sector in 2023 including:

- **Economic factors**: Electricity load shedding was identified by 75% of health and social development organisations as negatively affecting operations and the delivery of training (including work-based learning programmes).
- **Technological factors:** 28% of Skills Development Providers (SDPs) of the health and social development sector were prepared to implement the eLearning due to lack of eLearning platforms.

A study in the South African Medical Journal on the implications of load shedding on health care in South Africa and strategies to enhance preparedness predicted that power failures and the lack of a robust contingency plan could prove catastrophic in any health care environment, with varied and far-reaching consequences. The article indicated the following effects of electricity load shedding mentioned:

- "Increased load on healthcare services: An increase in emergency medical services (EMS) use as well as longer scene times were reported during disaster-related power outages. Similarly, increases in emergency department visits and hospital admissions were noted during power outages.
- Hygiene and infection control: During load shedding staff may not be able to sterilise surgical instruments and other essential items, thereby potentially delaying emergency interventions and increasing the risk of complications. Ultraviolet light sources, which are useful for reducing the presence of resilient microbes in critical care areas, may also be dysfunctional during periods of load shedding.
- Equipment: Tertiary hospitals provide care for a large number of critically ill and injured patients, who often require the use of multiple electronic devices. Although most critical devices have built-in back-up battery power, they are subject to various limitations that include a limited duration of power supply. Should these devices fail, health care staff may be required to intervene manually, thereby decreasing the availability of staff for other essential duties.
- **Diagnostic services:** There have been reports of complete loss of radiological and pathological services during instances of power outages. Although these services may be fully functional at larger facilities with adequate back-up power supply, smaller facilities with inadequate power back-up would be unable to provide them, necessitating transfer of patients to larger facilities and further burdening both the EMS and the receiving hospital.
- Communication and administrative services: The loss of communication during power outages presents a great challenge. This includes but is not limited to an inability to recharge cellular phones, inadequate network signals and loss of internal electrically dependent telephonic systems. Communication between wards, staff members and departments will also be compromised, which could cause significant delays in relaying pertinent information. Many hospital pharmacies use electronic scripting and dispensary systems to provide and issue medications to patients and healthcare staff. Although contingencies may be in place for the manual dispensing of medications, this may increase the time taken to process medication prescriptions, thereby causing major backlogs.
- Financial and psychological implications: Prolonged or frequent loss of basic services, including power outages, has been shown to precipitate the onset of several mental health conditions such as depression, anxiety and post-traumatic stress disorder, which may add further strain to local mental health services. Staff morale plays an important role in the execution of professional duties, particularly among those employed in the healthcare industry. Health care workers are not immune to the psychological implications of load shedding."

From: South African Medical Journal, Vol 109 n.12, Pretoria, December 2019

## b) Performance of the HWSETA in achieving workplace-based learning, bursary, and occupationally based programmes

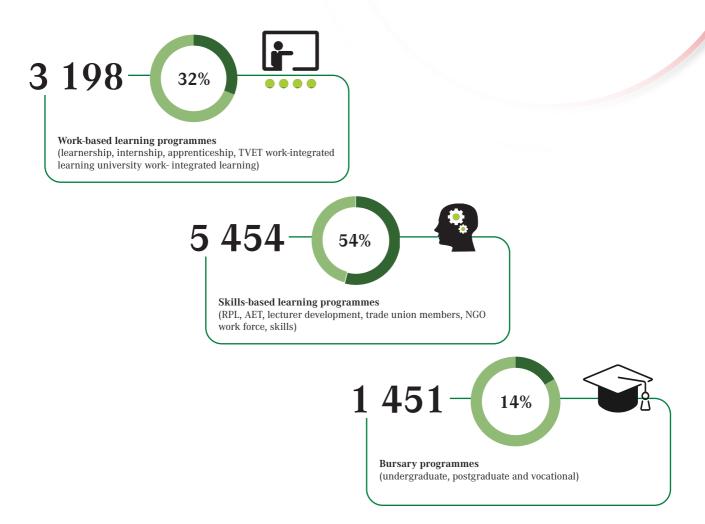
The HWSETA reached a performance level of **75,5**% of its annual targets of the 2023/24 Annual Performance Plan (APP).

75,5%

In its APP 2023/24, the HWSETA aimed to fund 16 597 students through the following programmes:

Workplace-based learning programmes	Learnerships, apprenticeships, TVET college placements, university student placements, internships for graduates							
Bursary programmes	Under-graduate, post-graduate, and vocational student bursary programmes							
Occupationally based programmes	AET, lecturer development, RPL, trade union member training and NGO sector workforce and skills programmes							

A total of 10 103 learners were funded. Of these, 3 198 (32%) were entered into workplace-based learning programmes, 5 454 (54%) were entered into occupationally directed training programmes and 1 451 (14%) were entered into bursary programmes.

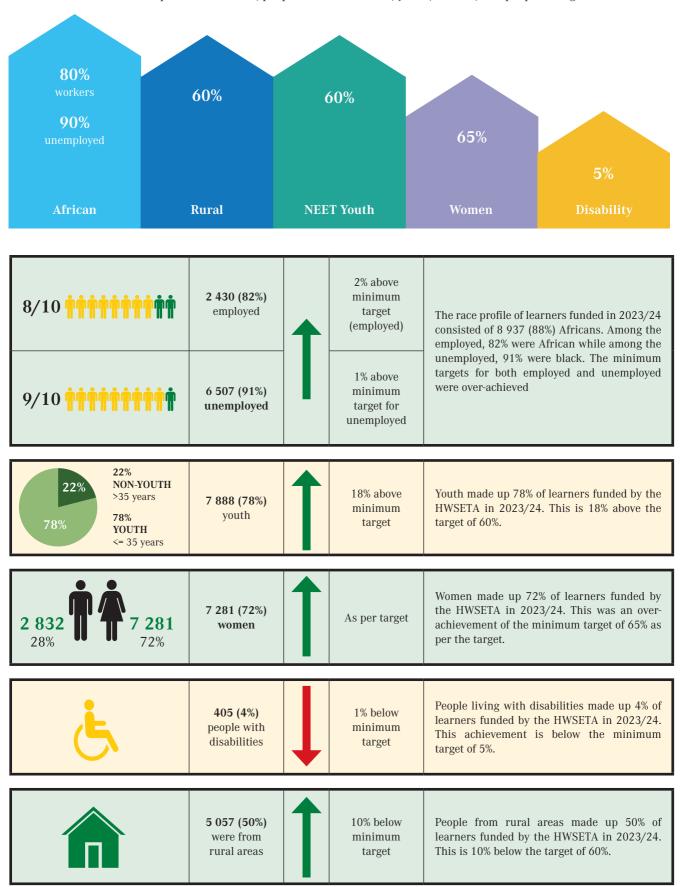


Of the 10 103 funded learners, 2 963 (29%) were employed while 7 139 (71%) were unemployed.



### Performance of the HWSETA in supporting the South African national transformative and redress priorities

The HWSETA set the following targets in its APP for 2023/24 with the aim of supporting the South African national transformative and redress priorities for race, people from rural areas, youth, women, and people living with disabilities.

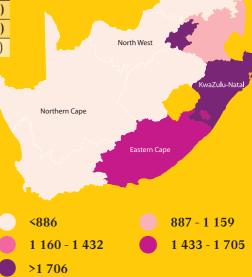


Most the learners funded were from the eThekwini Metropolitan Municipality (804;8%), followed by City of Tshwane Metropolitan Municipality (630;6%) and Ehlanzeni District Municipality (587;6%).

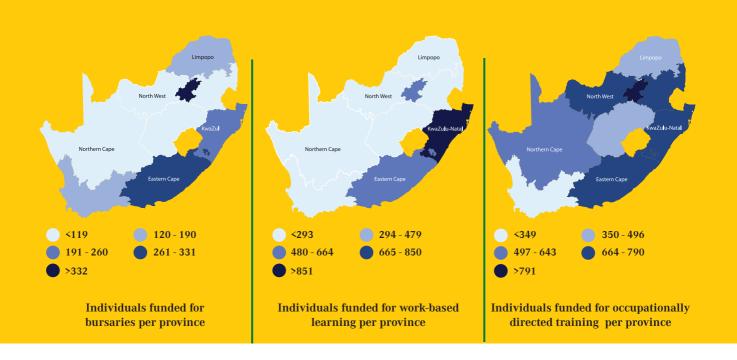
# GEOSPATIAL MAPPING OF HWSETA FUNDED LEARNERS

Province	Top 10 District Municipalities	Setting	N (%)
KwaZulu-Natal	eThekwini	Urban	804 (8%)
Gauteng	City of Tshwane	Urban	630 (6%)
Mpumalanga	Ehlanzeni District Municipality	Rural	587 (6%)
Gauteng	City of Johannesburg	Urban	535 (5%)
Western Cape	City of Cape Town	Urban	478 (5%)
Gauteng	City of Ekurhuleni	Urban	431 (4%)
North West	Ruth Segimotsi Mompati District	Rural	411 (4%)
Eastern Cape	OR Tambo District	Rural	389 (4%)
Eastern Cape	Alfred Nzo District	Rural	360 (4%)
Northern Cape	Pixley Ka Seme District	Rural	315 (5%)

Bold District Municipalities and Metros were among the 25 that were prioritized for HWSETA skills interventions in 2023/24.

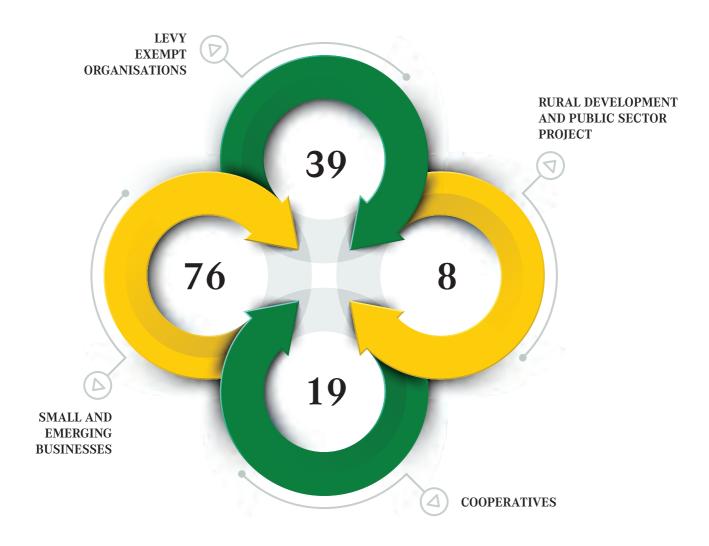


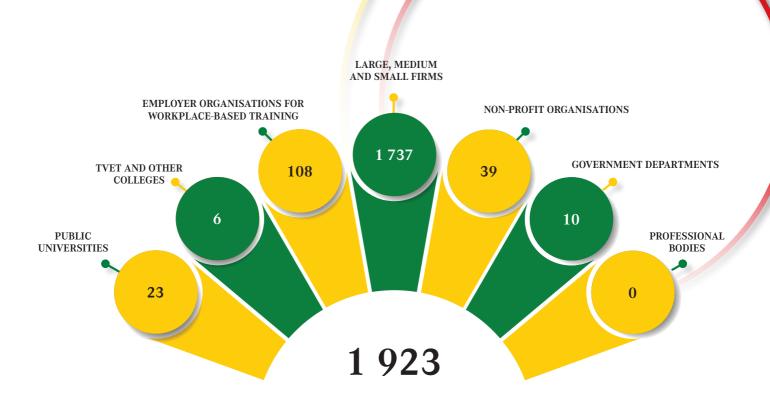
People funded by province



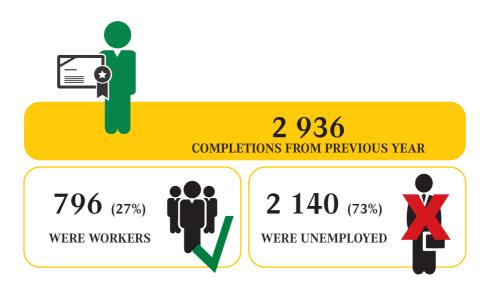
The HWSETA funded a total of 76 small and emerging businesses, 39 levy-exempt organisations, 8 rural development and sector projects, and 19 cooperatives for skills development.

• The HWSETA entered into 1 923 partnerships, which comprised 1 737 partnerships with large, medium, and small firms, 39 partnerships with non-profit organisations, 10 partnerships with national and provincial government departments; 23 public universities, 6 TVET and other colleges; and 108 employer organisations for workplace-based training of unemployed persons.



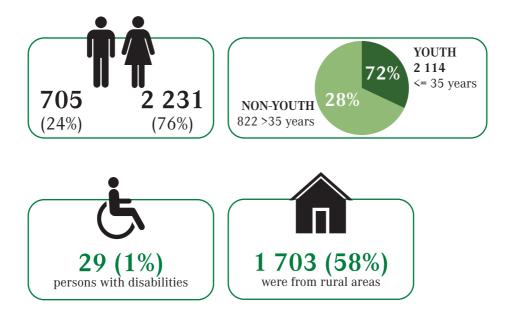


• There were 2 936 completions from prior year entries reported by employers during the year under review.

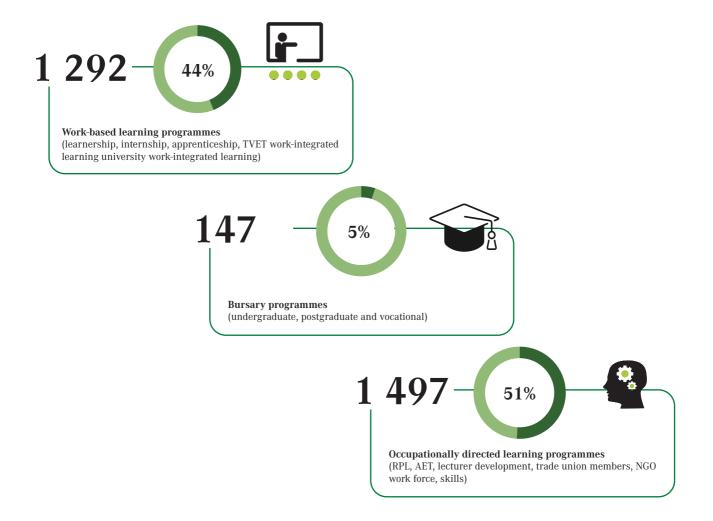




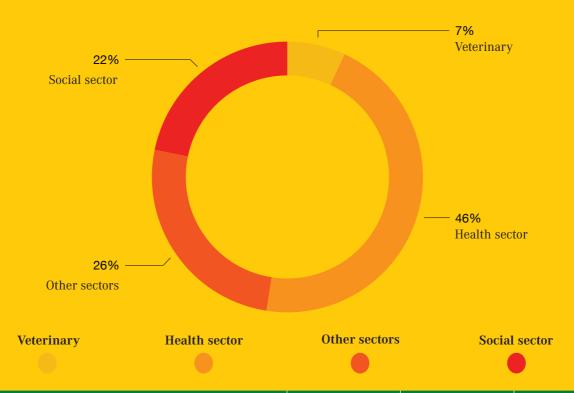
Women made up 2 231 (76%) of the completions while 705 (24%) were men; 2 114 (72%) were youth, 29 (1%) were persons with disabilities and 1 703 were from rural areas (58%).



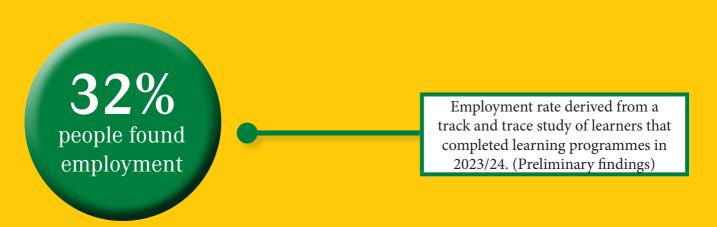
A majority of completions were from learners who have completed occupationally directed training programmes 1 497 (51%), followed by work-based learning programmes 1 292 (44%) and bursary programmes 147 (5%). The occupationally directed training programmes offer short courses to the workers; hence the increase in number of completions. Work-based learning and bursary programmes have a longer training period.



### c) Performance of the HWSETA in supporting the Sector



Top 10 qualifications	Frequency	Expected	Sector
NC: Basic Pharmacist Assistant	353	17%	Sectoral
FETC: Early Childhood Development	260	11%	Sectoral
Dipl: Animal Health	250	12%	Sectoral
FETC: Phlebotomy	241	11%	Sectoral
FETC: Post-Basic Pharmacist Assistant	208	10%	Sectoral
N6: Public Management	172	11%	Non-sectoral
Dipl: Early Childhood Development	164	9%	Sectoral
Bachelor: Social Work	124	7%	Sectoral
N6: Human Resources Management	118	6%	Non-sectoral
N6: Financial Management	107	5%	Non-sectoral



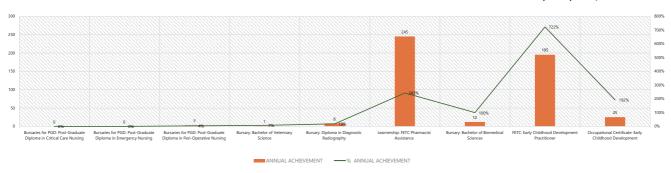
The performance of the HWSETA for 2023-2024 was good; progress was made to achieve the minimum targets set for 2023/24. This achievement is 10% lower than the 85% target purposefully set in order to manage the over-committed state. The minimum equity targets for priority groups were met with the exception of targets for people with disability, rural areas and women.

### Conclusion

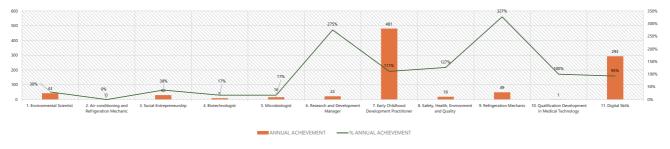
The performance of the HWSETA for 2023/24 was good as overall minimum targets were met, in terms of the organisation purposefully targeting to achieve 85% of its APP target for 2023/24 in order to manage the over committed state. The minimum equity targets for priority groups were met with the exception of targets for people with disabilities.

### d) Response of the HWSETA Strategic Priorities

#### PERFORMANCE OF THE HWSETA IN THE IMPLEMENTATION OF THE SECTORIAL PRIORITY AND OCCUPATIONS LIST (SPOIL) 2023/24



#### PERFORMANCE OF THE HWSETA IN IMPLEMENTING THE ERRP SKILLS STRATEGY



# HWSETA is dedicated to TRANSFORMING LIVES

### e) Organisational environment

Training of workers in the sector continued to experience the effects of COVID-19 as employers still found it difficult to release workers for prolonged periods of time for training. The HWSETA had to restructure its training modalities to the form of block release for one to two weeks at a time, in place of workers being away from work for months. This assisted the HWSETA to achieve some of its worker education targets and making good progress on achieving 42% (10 out of 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 nine provincial offices.

### (f) 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
- 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 2024/25.

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 9 000 social service professionals who are unemployed and aims to involve government departments and entities 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. SSPs will also be capacitated through partnerships with universities to form social enterprises and thus create jobs for other SSPs. This will be implemented in 2023/24.

### 1.1.3. PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

This was the fourth year of implementing the strategic plan for 2020-2025. This plan maps out four impact statements which are broken down to eight outcome statements which are measured through 44 outcome indicators and targets. Progress towards the achievement of the 5-year targets is measured through evaluation studies. During the financial years 2020/21 to 2023/24, 25 of the 34 (74%) outcomes indicators were measured through evaluation studies, as follows:

	2020/21	2021/22	2022/23	2023/24	2024/25
Outcomes measured annually	10	10	10	10	10
Outcomes measured once	3	9	12	12	12
Total outcomes measured	13	19	22	22	22
Budget spent	R722 198	R2 163 600	R2 750 000	R2 750 000	R2 750 000

The	IMPACT STATEMENT 1: The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand								
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement	
1	The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system that identifies occupations in high demand during the strategic period.	1-1	The extent to which external stakeholders of the HWSETA are satisfied with efficiency and effectiveness of service delivery by the end of the strategic period¹.	18.1 18.2 20	60%	43% 54%	Stakeholder satisfaction survey	The stakeholder satisfaction survey was conducted in 2021/22 and results yielded an efficiency level of 43,25% and effectiveness level of 42,09%. Overall, the HWSETA achieved an average efficiency and effectiveness level of 43%. The next stakeholder satisfaction survey will be conducted in 2024/25.  The HWSETA will review the findings of the survey and strengthen its stakeholder relations through monitoring of adherence to its service delivery charter to ensure that its stakeholders are attended to timeously.	
		1 - 2	The extent to which the Sector Skills Plan of the HWSETA and its annual updates are relevant to the DHET SSP framework (2019-2024) by the end of the strategic period.	12.1	85%	89%	DHET SSP assessment report	The DHET peer reviews the SSP annual update to check its alignment to the research outputs stipulated in the NSDP (2030). In 2020/21 the quality of the HWSETA SSP update was rated 85% and in 2021/22 it was 89%.  The HWSETA needs to ensure that all areas of improvement from the DHET assessment are addressed to facilitate annual improvement of the quality of its SSP.	

<sup>1</sup> The 2020-2025 strategic period starts on 1 April 2020 and end on 31 March 2025. The five-year target therefore should be attained by 31 March 2025.

The	IMPACT STATEMENT 1: The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand								
Outcome No	Outcome statement	Indicator No	Indicators to be	measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
		1 - 3		f the HWSETA nitoring, P and research ons by the end	5 12.1	75%	78% 98%	Evaluation findings register Follow-up report	Recommendations made on M&E studies conducted from 2019 to 2022 were implemented in 2020 and 2022. Those that had not been implemented by financial year end will be implemented in 2023/24. The next follow-up study will be conducted in 2023/24.
									Frequency of follow-up on the implementation will be improved from once per year to every six months. This will prompt implementing managers to closely monitor their progress towards addressing resolutions of findings raised through evaluation studies.
		1 - 4	The extent to which monitoring, evaluation, and research reports measure the strategic outcomes of the HWSETA strategic plan	a) Strategic outcomes	5 12.1	90%	82%	Mid-term progress report end-term progress report	The HWSETA evaluated 25 of the 34 strategic outcomes. Each of the evaluation reports produced have been confirmed by implementing managers.  The remaining nine outcome indicators will be measured in 2024/25.
			2020-2025 by the end of the strategic period.	b) Response rate	5 12.1	55%	Undetermined	Synthesis report	A synthesis report of all M&E studies conducted will be compiled at the end of 2024/25.

#### **IMPACT STATEMENT 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high Indicators to be Link to Output Achievement 2023/24 Outcome No Indicator No Data Source Indicators Outcome statement measured 2024/25 Targets Comment on Achievement 33.a 5% Synthesis Percentage of a) High-level There were no baselines discretionary skills report during setting of these grant budget targets and therefore estimates were put in spent on place. The achievements high-, Synthesis b) 33.b 18% 60% intermediate-, reported will now form Intermediate report and low-level the baseline for target -level skills skills by the setting for 2025-2030 end of the strategic plan. c) Low-level 33.c 12% Synthesis 5% strategic skills report 42% period The HWSETA 2 - 6 The extent to which 2 30% 43% Desktop 43% of employers employers participate in partnered with the promotes review 72% linkages HWSETA skills development report HWSETA to implement between initiatives in comparison to learnerships, apprenticeships, and education and those that submit the WSP the workplace by the end of the strategic TVT/university WIL. to increase period. These employers workplaceconstituted 1717 of the based learning 3 978 organisations that opportunities in submitted their WSPs the health and and were approved. welfare sector Another desk-top review in the strategic will be conducted in 2023/24. period. Employers will be encouraged to increase their participation in skills development activities. Provincial offices of the HWSETA will organise workshops targeting employers that do not participate in skills development programmes and inform them about the benefits and incentives available for participating in workplace-based programmes of the HWSETA.

The	IMPACT STATEMENT 1: The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand								
Outcome No	Outcome statement	Indicator No	Indicators to be	measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
		2 - 7	Proportion of unemployed persons who find employment after successfully completing internships for graduates funded by the HWSETA by the end of the strategic	a) University	7.2a	530	419 69%	Tracer study report	Progress made in 2022/23 towards meeting the 5year target reached 69% of the target. 419/950 (69%) unemployed persons funded for internships found jobs within six months of completing their internship programmes. Another track and trace study will be conducted in 2022-2023 will be
			period.	b) TVET colleges	7.2b	121	Undetermined	Tracer study report	followed.  A track and trace study
		2 - 8	Number of unemployed persons who find employment after successfully completing learnerships funded by the HWSETA by the end of the strategic period  Number of unemployed apprentices who find employment after successfully completing Artisan programmes funded by the HWSETA by the end of the strategic period		29.2	928	676	Tracer study report	Progress made in 2022/23 towards meeting the five-year target reached 48% of the target. 676/1400 (48%) unemployed persons funded for learnerships found jobs within six months of completing their qualifications. Another track and trace study will be conducted in 2023/24 and learners that completed in 2022/23 will be followed.
		2 - 9			26.2	96	91%	Tracer study report	Progress made in 2022/23 towards meeting the five-year target reached 91% of the target. 137/150 (91%) unemployed persons funded for apprenticeships found jobs within six months of completing their qualifications. Another track and trace study will be conducted in 2023/24 and learners that completed in 2022/23 will be followed.

The	IMPACT STATEMENT 1: The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand								
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement	
		2 - 10	The extent to which unemployed persons find employment after successfully completing learning programmes funded by the HWSETA by the end of the strategic period	Outcome indicators 2-7 2-8 2-9	60%	45% 75%	Synthesis of tracer studies report	A tracer study was conducted of unemployed learners that completed learning programmes funded by the HWSETA through learnerships, bursaries, artisans and internships. The overall employment rate yielded by the tracer study conducted in 2020/21 was 60%, and the one yielded by the 2021/22 study was 33% while the 2022/23 tracer study resulted in 42% employment rate. This therefore results in an average employment rate of 45% over the three years of the strategic period.	
		2 - 11 Number of unemployed persons who obtain their university qualifications after successfully completing university work integrated learning (WIL) programmes funded by the HWSETA by the end of the strategic period.		32.2	350	323 27%	Tracer study report	Multiple data collection sources will be used to secure a higher response rate as this usually affects the results of the tracer study.	
		2 - 12	Number of unemployed persons who obtain their TVET college qualifications after successfully completing TVET college work integrated learning (WIL) programmes funded by the HWSETA by the end of the strategic period.	28.2	229	172 25%	Tracer study report	Multiple data collection sources will be used to secure a higher response rate as this usually affects the results of the tracer study.	

in	the health and welfare sector by 2030										
Outcome No		Indicator No	Number of workers whose	ن Link to Output المارية	2024/25 G Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement Progress has been			
3	contributes to the improvement of level of skills to 50% of the		competence is improved after successful completion of the learnership programmes of the HWSETA by the end of the strategic period.	3.2	009	Undetermined	study report	made in 2020/22. Tracer studies for workers were conducted on all workers whose			
	health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.	3 - 14	Number of employed apprentices whose competence is improved after successful completion of the Artisan programmes of the HWSETA by the end of the strategic period.	4.2	24	Undetermined	Tracer study report	training was funded by the HWSETA in 2020/22. Overall, 25 workers reported that they have progressed to higher positions. However, the outcome for this indicator had to be revised in 2022/23 as it was evident that it was not possible to achieve the set target by end of the strategic period. As a result, the outcome indicator was revised to "Number of workers followed to identify employment pathways yielded by [HWSETA learning programmes]". This outcome will be measured in 2023/24 and will serve as baseline for follow up evaluations. Due to low response rate experienced the research evaluation methodology will be revised to include qualitative methods.			

in t	he health and we	elfare secto	r by 2030					
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
		3 - 15	Number of workers whose competence is improved after successful completion of the qualifications funded through the undergraduate bursary programme of the HWSETA by the end of the strategic period.	6.6a	23	Undetermined	Tracer study report	Progress has been made in 2020/22. Tracer studies for workers were conducted on all workers whose training was funded
		3-16	Number of workers whose competence is improved after successful completion of the qualifications funded through the post-graduate diploma bursary programme of the HWSETA by the end of the strategic period.	6.6b	6	Undetermined	Tracer study report	by the HWSETA in

in t	he health and we	elfare secto	r by 2030						
Outcome No	Outcome statement	Indicator No	Indicators to be	measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
		3 - 17	Number of worke competence is im successful comple qualifications fun the post-graduate bursary programs HWSETA by the estrategic period.	proved after etion of the ided through e research me of the	6.3	13	Undetermined	Tracer study report	Progress has been
		3 - 18	Number of workers whose competence is improved after successful completion of the short learning programmes funded through	f a) Short learning programmes ed at essful undergraduate n level rt	2	3	Undetermined	Tracer study report	2020/22. Overall, 25 workers reported that they have progressed to higher positions. However, the outcome for this indicator had to be revised in 2022/23 as it was evident that it was not possible to achieve
			the bursary programme of the HWSETA by the end of the strategic period.	b) Short learning programmes at postgraduate level	2	4	Undetermined	Tracer study report	the set target by end of the strategic period. As a result, the outcome indicator was revised to "Number of workers followed to identify employment pathways yielded by [HWSETA learning programmes]". This outcome will be measured in 2023/24 and will serve as baseline for follow up evaluations. Due to low response rate experienced the research evaluation methodology will be revised to include qualitative methods.

#### **IMPACT STATEMENT 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030 indicators to be Link to Output Indicators Achievement 2023/24 Outcome No Indicator No Data Source Outcome statement measured 2024/25 Targets Actual Comment on Achievement 4 000 Undetermined 3 - 19 a) Credit 8.2a Tracer Progress has been Number of bearing workers whose study report made in 2020/22. competence is Tracer studies improved after for workers were successful conducted on all completion workers whose 348 of the skills b) Short 8.2b Undetermined Tracer training was funded programmes of by the HWSETA in learning study report the HWSETA programmes 2020/22. Overall, 25 workers reported that by the end of the strategic they have progressed to higher positions. period. However, the outcome for this indicator had to be revised in 2022/23 as it was evident that it was not possible to achieve the set target by end of the strategic period. As a result, the outcome indicator was revised to "Number of workers followed to identify employment

25.2

210

302

Tracer

Study

report

pathways yielded by [HWSETA learning programmes]". This outcome will be measured in 2023/24 and will serve as baseline for follow up evaluations. Due to low response rate experienced the research evaluation methodology will be revised to include qualitative methods.

88% of the outcome

target has been met.

study for workers who

A track and trace

had undergone the

recognition of prior learning assessment during the strategic period was conducted in 2021/22 to identify learners who obtained full qualifications through RPL. The next cohort will be evaluated in 2023/24.

Number of workers who

strategic period.

obtain full qualifications after

successfully completing the

RPL programmes funded by

the HWSETA by the end of the

3 - 20

	he health and we					0100 111			u hard to fill vacancies
Outcome No	Outcome statement	Indicator No	Workers who ob	Indicators to be measured Morkers who obtain full			Actual Achievement 2023/24	Tracer	Comment on Achievement This outcome was not
		funder end of		qualifications after successfully completing AET programme funded by the HWSETA by the end of the strategic period.			Undetermined	Study report	achieved due to lack of completions. Process evaluation will be conducted in 2023/24 instead to identify challenges that may prevent the output from being achieved.
4	The HWSETA contributes to increased access by the unemployed into occupationally directed programmes in the health and welfare sector during the strategic period	4 - 22	The extent to which occupational qualifications developed by the HWSETA are found to be relevant by the sector to occupations on high demand by the end of the strategic period.	a) Full/part qualifications	24.1	100%	100%	Survey report	Eight qualifications have been developed since 2020. So far, track and trace study of learners trained through two qualifications (SAW and CYC) confirmed the relevance of these qualifications to occupations as a proxy indicator. Employers were also interviewed and confirmed relevance of these qualifications in 2022/23.
			b) Skills programmes	24.2	90%	Undetermined	Survey report	This is a new indicator introduced in 2023/24 after merging the SLA and the APP indicators	
		4 - 23	Number of skills development providers who offer training on	a) Skills development providers	19.1	39	Undetermined	Survey report	This is a new indicator introduced in 2023/24 after merging the SLA and the APP indicators
			occupational z and have at least 60% of those learners certificated through full	b) Qualification certificates	19.2a	1 975	Undetermined	Survey report	
			and part qualifications by the end of the strategic period.	c) Statements of results	19.2b	1 335	Undetermined	Survey report	

#### **IMPACT STATEMENT 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030 Indicators to be Link to Output Indicators Achievement 2023/24 Outcome No Indicator No Data Source Outcome statement measured 2024/25 Targets Actual Comment on Achievement 4 - 24 Desktop The extent to a) CET 23a 60% 76% 76% of universities, which CET review TVET colleges 95% colleges, and other colleges report universities, partnered with the b) Universities 60% 23b TVET and HWSETA to implement c) TVET and 60% 23c other colleges, vocational, underother public graduate degrees, postprofessional colleges bodies and graduate diplomas, d) Professional 12.2 10% research and post-graduate councils and bursaries. These institutions research participate in **PSET** institutions institutions **HWSETA** skills constituted 65 of development the 76 institutions initiatives in that offer training by the end of programmes funded by the strategic the HWSETA and 10 period. professional councils that serve the health and social sectors during the strategic period. Another desktop review will be conducted in 2022/23. Additional universities and TVET colleges will be lobbied to partner with the HWSETA to implement its skills development initiatives. 4 - 25 252 Unemployed persons who find 27.6a 172 Progress made in Tracer employment after successfully study report 2022/23 towards 66% completing undergraduate meeting the five-year qualifications funded through target reached 66% of undergraduate bursary the target. 172/262 programmes funded by the (61%) unemployed HWSETA by the end of the persons funded strategic period. through bursaries for university undergraduate programmes found jobs within six months of completing their qualifications. Another track and trace study will be conducted in 2023/24 and learners 2022/23 will be followed.

The	PACT STATEMEN HWSETA develon he health and we	ps a skille	d, employable and highly produc r by 2030	tive workfo	orce wh	ich resu	lts in reduce	d hard to fill vacancies
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
		4 - 26	Unemployed persons who find employment after successfully completing post-graduate diploma qualifications funded through post-graduate diploma bursary programmes funded by the HWSETA by the end of the strategic period.	27.6b	8	Undetermined	Survey report	This is a new indicator introduced in 2023/24 in response to sector needs expressed through SPOIL.
		4 - 27	Unemployed persons who find employment after successfully completing post-graduate research qualifications funded through post-graduate research bursary programmes funded by the HWSETA by the end of the	27.3	9	39 32%	Tracer study	Progress made in 2022/23 towards meeting the five- year target reached 32% of the target. 32/120 students who completed post-

strategic period.

Unemployed

persons who

programmes

the HWSETA

by the end of

the strategic

period.

funded by

in skills

find relevance

a) Skills

b) Short-

learning

programmes

programmes

4 - 28

# BRIDGING THE SKILLS GAP

1 374

40

Undetermined

Undetermined

Tracer

Tracer

study report

study report

60%

825

graduate degrees were tracked and confirmed

Due to poor response

2023 track and trace

evaluation study in the

study a qualitative

form of focus group

discussions will be

conducted.

rate in the 2022-

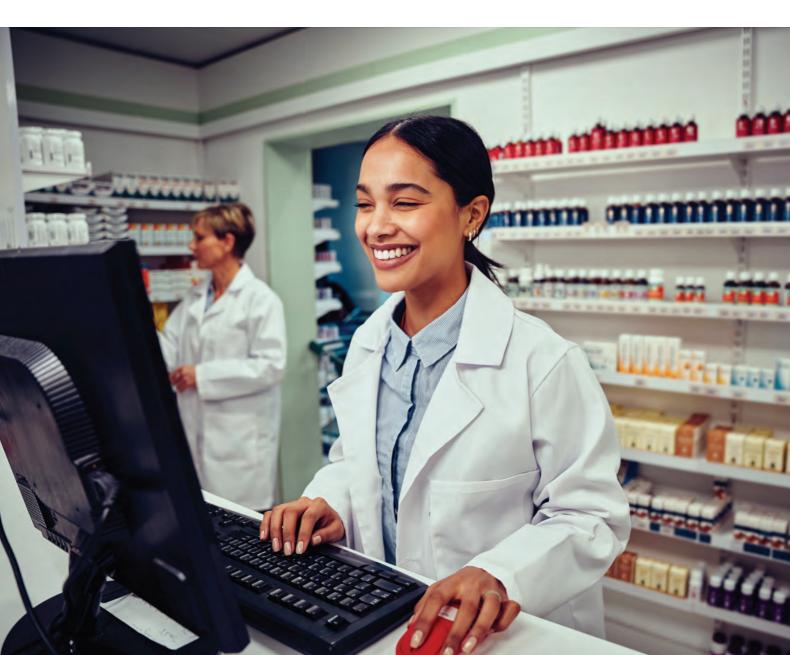
through self-disclosure. Multiple data collection sources will be used to secure a higher response rate as this usually affects the results of the tracer study.

in t	he health and we	elfare secto	r by 2030						
Outcome No	Outcome statement	Indicator No	Indicators to be	measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
5	The HWSETA supports the growth of the public and private college system so that colleges	5 - 29	Number of unemployed persons who obtain full qualifications after successfully	a) CET unemployed learners completing AET programmes	24	38	Undetermined	Tracer study report	Due to poor response rate in the 2022- 2023 track and trace study a qualitative evaluation study in the form of focus group discussions will be
	may qualify as centres of specialisation in the strategic period		completing AET programmes funded by the HWSETA by the end of the strategic period.	b) Other unemployed persons completing AET programmes	23	232	Undetermined	Tracer study report	conducted.
		5 - 30	Increased number of lecturers and managers from TVET and other colleges whose performance is improved due to skills development initiatives funded by the HWSETA by the end of the strategic period	a) Lecturers	16.2a	10	21 39%	Survey	A survey measuring increased skills of lecturers who were funded during the strategic period was conducted in 2021/22 and 19 lecturers were identified to have improved performance due to the skills development initiatives of the HWSETA. A follow up survey with the 2021/22 nonresponses was conducted in 2022/23. Additional two lecturers self-reported that their performance has improved. A survey of additional cohorts will be conducted in 2023/24.
				b) Managers	16.2b	3	Undetermined	Survey report	This is a new indicator introduced in 2023/24 after merging the SLA and the APP indicators

in tl	in the health and welfare sector by 2030										
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement			
		5 -31	Increased number of lecturers and managers from community colleges	16.4a	2	Undetermined	Survey report	This is a new indicator introduced in 2023- 2024 after merging the SLA and the APP indicators			
			(CET) whose performance is improved due to skills development initiatives funded by the HWSETA by the end of the strategic period	16.4b	2	Undetermined	Survey report				
		5 - 32	Number of lecturers from TVET whose performance in teaching improves due to skills development initiatives funded by the HWSETA through vocational and occupational bursaries funded by the HWSETA by the end of the strategic period	17.2b	3	13 1.6%	Tracer study report	Progress made in 2022/23 towards meeting the five-year target reached 1.6% of the target. 13/835 (1.6%) unemployed persons funded for vocational bursaries found jobs within six months of completing vocational qualifications. Another track and trace study will be conducted in 2022/23 will be followed. This will be the second year of conducting this evaluation.			

IMPACT STATEMENT 2: The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies

in	the health and we	elfare secto	r by 2030					
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement
		5 - 33	Number of students from TVET and other public colleges who find employment after successfully completing vocational qualifications funded by the HWSETA through vocational and occupational bursaries by the end of the strategic period	17.2a	272	13 1.6%	Tracer study report	Progress made in 2022/23 towards meeting the five-year target reached 1.6% of the target. 13/835 (1.6%) unemployed persons funded for vocational bursaries found jobs within six months of completing vocational qualifications. Another track and trace study will be conducted in 2022/23 will be followed. This will be the second year of conducting this evaluation.



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

bus	businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030.									
Outcome No	Outcome statement	Indicator No	Indicators to be measured	Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement		
6	The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment	6 - 34	Number of cooperatives who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period	9	9	13 36%	Evaluation study report	Outcomes evaluation study was conducted in 2021/22 and it confirmed that cooperatives supported by the HWSETA do achieve the desired and outcomes. Another outcomes evaluation will be conducted in 2023/24.		
	establishment of new enterprises in the strategic period.	6 - 35	Number of small and emerging business who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period.	10.1	81	84 24%	Survey report	A rapid assessment of the outcomes of the SME project of the HWSETA was conducted in 2022/23 and progress made towards the five- year target was 24% (84/348). Another cohort of SMEs funded for skills development will be conducted in 2023/24.		
		6 - 36	Number of enterprises established with the support of the HWSETA by the end of the strategic period.	10.2	6	Undetermined	Survey report	This outcome is new as it supports the new strategy of the HWSETA to capacitate unemployed social service graduate to open up social enterprises.		
		6 - 37	The extent to which of large, medium, and small firms of the health and social development sector submit workplace skills plans to the HWSETA by the end of the strategic period	13	40%	51% 85%	Database analysis report	Database analysis was conducted to compare the number of levy paying and non-levy paying employers that implement their WSPs submitted to the HWSETA in order to show the level of participation of employers on skills development. Progress made in 2020/22 is 51%, of which a total of 4 460/8738 levy paying and non-paying participated in HWSETA skills development initiatives.		

#### **IMPACT STATEMENT 4:** The HWSETA contributes to increased capacity of the State, NGO and NPO sector, Trade Unions to meet social and rural development needs of the South African Citizens by 2030. Indicators to be Link to Output Achievement 2023/24 Outcome No Indicator No Data Source Outcome statement Indicators measured 2024/25 Targets Comment on Achievement The HWSETA 7 - 38 Number of projects that 10 217 71% of the five-year target Career was achieved in 2022/23 provides portal find relevance in skills 71% increased development initiatives database due to high traffic of support to the funded by the HWSETA learners that engage Sate, Trade by the end of the strategic with the career portal for unions, NGOs, period career awareness. and NPOs in order to A follow-up desktop strengthen analysis will be conducted in 2023/24. governance 7 - 39 and service Increased participation 14 20% Survey This outcome is new Undetermined delivery and of the public sector in report as it supports the new thus advance workplace-based education strategy of the HWSETA social, rural, and training as a result of to capacitate unemployed and community public sector projects funded social service graduate development by the HWSETA through to open up social in the strategic discretionary grants by the enterprises. period. end of the strategic period 7 - 40 The number of trade 11.2a 244 249 Survey A survey was conducted in 2022/23 to determine union officials who gained 11.2b report relevant skills through skills the relevance of skills development programmes development training funded by the HWSETA to which union officials by the end of the strategic are exposed and also period assessed whether the skills needs of these officials are met. 57 confirmed the relevance of training to their skills development needs. 7 - 41 Number of officials from 49 Survey This outcome is new Undetermined NGOs and NPOs who 22 report as it supports the new find relevance in skills strategy of the HWSETA development initiatives to capacitate unemployed funded by the HWSETA social service graduate by the end of the strategic to open up social period enterprises. 7 - 42 Number of levy-exempt 11.1 69 273 Database A rapid assessment of organisations who analysis the outcomes of the 68% find relevance in skills levy-exempt project of the report development initiatives HWSETA was conducted funded by the HWSETA in 2022/23 and progress by the end of the strategic made towards the fiveperiod year target was 68%. A follow-up study will be

conducted in 2023/24.

IMPACT STATEMENT 4:
The HWSETA contributes to increased capacity of the State, NGO and NPO sector, Trade Unions to meet social and rural

dev	evelopment needs of the South African Citizens by 2030.										
Outcome No	Outcome statement	Indicator No	Indicators to be measured		Link to Output Indicators	2024/25 Targets	Actual Achievement 2023/24	Data Source	Comment on Achievement		
8	makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.	8 - 43	Percentage of learners exposed to career awareness services who enter into HWSETA funded learning programmes by the end of the strategic period	Rural schools  Urban schools	15.1	15% (361/ 2 403) 15% (361/ 2	8.6%	Bursary	8.6% of the five-year target was achieved in 2022/23 due to increased access created by the career awareness portal. Additional bursaries will be offered in 2023/24, and rapid assessment to evaluate the immediate outcomes of the career awareness programme will be conducted in 2023/24.		
		8 - 44	Number of career gu lecturers funded by HWSETA who offer services to rural sch by the end of the str period	the their nools	16.2c	5	Undetermined	Survey	A survey will be conducted in 2023/24 on career guidance practitioners funded by the HWSETA for training whether they do offer training in schools that are in the rural areas as training did not happen in 2021/22. A survey of additional cohorts will be conducted in 2024/25.		



#### **REVENUE COLLECTION: R983 million**

Skills Develo	opment Reve	nue				
Estimate	Actual Collection	(Over)/ Under		Estimate	Actual Collection	(Over)/ Under
2023/24	2023/24	Collection	Commentary	2022/23	2022/23	Collection
R 676	R 713	(R 37)	5.47 % higher than budgeted. In the last three years the SDL revenue from the sector has been on an upward trend.	R 621	R 652	(R 31)
<b>Investment</b>	Income & Oth	er Income				
Estimate	Actual Collection	(Over)/ Under		Estimate	Actual Collection	(Over)/ Under
<b>2023/24</b> R 22	<b>2023/24</b> R 36	Collection (R 21)	Commentary Investment income of R31m	<b>2022/23</b> R 15	<b>2022/23</b> R 19	Collection (R 4)
			which is 65% above budget of R22m due to favourable interest rate environment. Other income consists of grants and write offs amount to R5 million.			
Government	Levies					
Estimate	Actual Collection	(Over)/ Under		Estimate	Actual Collection	(Over)/ Under
2023/24	2023/24	Collection	Commentary	2022/23	2022/23	Collection
R 188	R 233	(R45)	24% higher than budgeted. All twenty government departments in the health as well as the social development sector were invoiced for their government levies. Collection rate was at 79% with some of the outstanding invoices settled after the financial year end.	R 184	R 272	(R88)

The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.



This is a high level performance review of the achievement of the strategic outcomes as at 30 September 2022.

The review is based on measuring outputs from 2020/21 and 2021/22 through evaluation studies. As such, the expected level of performance is 40% at the level of indicator targets.

To calculate the aggregated achievement for each of the outcome statements, indicator targets falling under the same outcome statement were averaged. Outcome statements 1, 2, 3 and 4 thus have an aggregated performance above 40%.

To calculate the average performance towards achieving impact therefore progress achieved per outcome indicator was summed up for 15 outcomes indicators and averaged. This yielded a performance level of 57%.

# AVERAGE PERFORMANCE TOWARDS IMPACT 57%

84% (4 outcomes measured)

#### **Outcome statement 1**

The HWSETA provides an efficient and effective skills planning programme implementation and evaluation system which identifies and increases the production of occupations in high demand in the strategic period.

#### Outcome statement 3

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 statement 2

The HWSETA provides linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period.

## Outcome statement 4 The HWSETA contributes

The HWSETA contributes to increased access by the unemployed into occupationally directed programmes of the health and welfare sector in the strategic period.

66% (2 outcomes measured)

41%
(2 outcomes
measured, 1 outcome
to be measured in
2022/23)

88%

(1 outcome

measured, 6 outcomes to be measured in

2022/23)

The HWSETA develops a skilled, employable and highly productive work force which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

#### **IMPACT STATEMENT 2**

Outcome statement 5 has an aggregated performance below 40%, while outcome statement 6 has an aggregated performance above 40%. The average performance towards achieving impact statement 2 is 39%.

#### Reasons for this low achievement:

Performance for outcome 24 is affected by TVET college lecturer development, where only 37% participants responded to the survey questionnaire. A follow-up on the non-responses will be made to improve the response rate which could improve the performance of this outcome statement in August 2023.

# AVERAGE PERFORMANCE TOWARDS IMPACT 39%

36%
(1 outcome measured,
1 outcome statement to be measured in 2022/23)

#### **Outcome statement 5**

The HWSETA supports officials from NOGs, 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 statement 6**

The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative as well as the establishment of new enterprises in the strategic period.

41%

(2 outcomes measured, 2 outcome statements to be measured in 2022/23)

The HWSETA contributes to the 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 expend in size by 2030.

#### **IMPACT STATEMENT 3**

Outcome statement 7 has an aggregated performance above 40%. The average performance towards achieving impact is 61%.

#### AVERAGE PERFORMANCE TOWARDS IMPACT

61%

61% (2 outcomes measured)

#### **Outcome statement 7**

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.

## **IMPACT STATEMENT 4**

The HWSETA contributes to increased capacity of the state, NGOs, NPOs and trade unions to meet social and rural development needs of South African citizens by 2030.

#### **IMPACT STATEMENT 4**

Outcome statement 8 has an aggregated performance below 40%. The average performance towards achieving impact is 30%.

#### Reasons for this low achievement

Performance for outcome statement 5 is affected by the low number of learners who register their addresses on the career portal, making it difficult to account for the geographic location of all learners who visit the portal. The field for address has been marked as mandatory on registration on the portal.

## AVERAGE PERFORMANCE TOWARDS IMPACT

30%

## 30%

(2 outcomes measured, 1 outcome statement to be measured in 2022/23)

#### **Outcome statement 8**

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.

#### INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

## Description of each programme

This programme is responsible for the overall strategic management and support to the operations divisions. The goal of this programme is to ensure that the HWSETA is well-posite capacitated to deliver on its targets. This programme is to ensure that the HWSETA is well-posite which incorporates thuman Resource Management, land from an areas including Finance, which incorporates procurement and grants management, Corporate which incorporates Human Resource Management, Information Technology and Marketing.  Institutional Outcomes  Programme 2: Skills planning and timpact assessment  Purpose:  The HWSETA supports career development services related to the health and welfare sector at them accessible to rural and targeted youths in the strategic period them accessible to rural and targeted youths in the strategic period of the WSETA supports are development es revices related to the health and welfare sector at the maccessible to rural and targeted youths in the strategic period of the WSETA has configured this programme to include two sub-divisions, namely Research and the projects that include develop update of the sector skills plan, research leading to a better understanding of the dynamics su sectoral labour market, production of new knowledge in the sector and development of new rese the sector. This programme also implements the vital and timeous evaluation and impact asset projects and programmes implemented by the INWSETA. These are vital for lessons learned and that projects contribute positively to the sector and desired impacts are achieved.  Institutional  Outcomes  Programme 3: Skills Development Programmes and Projects  The purpose of this programme is to provide skills for learners in the workplace is scarce and criwith in the health and welfare sectors. To this end, this programme is responsible for the imple of learning programmes, approval of grants and implementation of projects. It also provides advice to employers wishing to access grants from the HWSETA.  Institutional  Outcomes  The purpose	
Structure and business processes that are automated and integrated in the strategic period The HWSETA supports career development services related to the health and welfare sector a them accessible to rural and targeted youths in the strategic period The HWSETA has configured this programme to include two sub-divisions, namely Res Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The HWSETA has configured this programme to include two sub-divisions, namely Res Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The utilises this programme to implement skills planning related projects that include develop update of the sector skills plan, research leading to a better understanding of the dynamics su sectoral labour market, production of new knowledge in the sector and development of new rese the sector. This programme also implements the vital and timeous evaluation and impact asses projects and programmes implemented by the HWSETA. These are vital for lessons learned and that projects contribute positively to the sector and desired impacts are achieved.    Institutional Outcomes	positioned and and functional prate Services, g.
The HWSETA supports career development services related to the health and welfare sector at them accessible to rural and targeted youths in the strategic period  Programme 2: Skills planning and impact assessment  The HWSETA has configured this programme to include two sub-divisions, namely Res Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The utilises this programme to implement skills planning related projects that include develop update of the sector skills plan, research leading to a better understanding of the dynamics su sectoral labour market, production of new knowledge in the sector and development of new rese the sector. This programme also implements the vital and timeous evaluation and impact asses projects and programmes implemented by the HWSETA. These are vital for lessons learned and that projects contribute positively to the sector and desired impacts are achieved.  Institutional  Research, monitoring, evaluation, and impact system of the HWSETA provide a credible skills and evaluation system that ensures that its funding initiatives yield good impact in the strateg 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 criwithin the health and welfare sectors. To this end, this programme is responsible for the imple of learning programmes, approval of grants and implementation of projects. It also provides advice to employers wishing to access grants from the HWSETA.  Sub-Programme 3.1: Learning Programme  Purpose:  The purpose of this sub-programme is to implement learning programmes. It also provides advice to employers wishing to access grants from the HWSETA  Institutional  Outcomes  The HWSETA supports the growth of the public college system so that public colleges may quentres of specialisation in the strategic period  The HWSETA contributes to increased access, by the unemployed, into occupationally programmes of the health and welfare s	-
Programme 2: Skills planning and impact assessment  Purpose:  The HWSETA has configured this programme to include two sub-divisions, namely Res Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The utilises this programme to implement skills planning related projects that include develop update of the sector skills plan, research leading to a better understanding of the dynamics su sectoral labour market, production of new knowledge in the sector and development of new rese the sector. This programme also implements the vital and timeous evaluation and impact asses projects and programmes implemented by the HWSETA. These are vital for lessons learned and that projects contribute positively to the sector and desired impacts are achieved.  Institutional Outcomes  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 cri within the health and welfare sectors. To this end, this programme is responsible for the imple of learning programmes, approval of grants and implementation of projects. It also provides advice to employers wishing to access grants from the HWSETA.  Sub-Programme 3.1: Learning Programmes  Purpose:  The purpose of this sub-programme is to implement learning programmes. It also provides advice to employers wishing to access grants from the HWSETA  Institutional Outcomes  The HWSETA supports the growth of the public college system so that public colleges may quentres of specialisation in the strategic period  The HWSETA contributes to the improvement of level of skills for 50% of the South African through various learning programmes that address the critical skills required by the sectivates give priod.  The HWSETA contributes to increased access, by the unemployed, into occupationally programmes of the health and welfare sector in the strategic period.  The HWSETA supports officials from NGOs, NPOs, and Trade Unions in order to strengthen g and advice	
Purpose: The HWSETA has configured this programme to include two sub-divisions, namely Res Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The utilises this programme to implement skills planning related projects that include develop update of the sector skills plan, research leading to a better understanding of the dynamics su sectoral labour market, production of new knowledge in the sector and development of new rese the sector. This programme also implements the vital and timeous evaluation and impact asses projects and programmes implemented by the HWSETA. These are vital for lessons learned and that projects contribute positively to the sector and desired impacts are achieved.  Institutional Research, monitoring, evaluation, and impact system of the HWSETA provide a credible skills and evaluation system that ensures that its funding initiatives yield good impact in the stratege Programme 3. Skills Development Programmes and Projects  The purpose of this programme is to provide skills for learners in the workplace is scarce and criwithin the health and welfare sectors. To this end, this programme is responsible for the imple of learning programmes, approval of grants and implementation of projects. It also provides advice to employers wishing to access grants from the HWSETA.  Sub-Programme 3.1: Learning Programmes  Purpose: The purpose of this sub-programme is to implement learning programmes. It also provides advice to employers wishing to access grants from the HWSETA  Institutional Outcomes  The HWSETA supports the growth of the public college system so that public colleges may quentry of the sub-programme shall address the critical skills required by the sec strategic period.  The HWSETA contributes to the improvement of level of skills for 50% of the South African through various learning programmes that address the critical skills required by the sec strategic period.  The HWSETA contributes to the improvement of level of skills for 50% of the South African	tor and makes
Purpose:  The HWSETA has configured this programme to include two sub-divisions, namely Res Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The utilises this programme to implement skills planning related projects that include develop update of the sector skills plan, research leading to a better understanding of the dynamics su sectoral labour market, production of new knowledge in the sector and development of new rese the sector. This programme also implements the vital and timeous evaluation and impact asses projects and programmes implemented by the HWSETA. These are vital for lessons learned and that projects contribute positively to the sector and desired impacts are achieved.  Institutional  Research, monitoring, evaluation, and impact system of the HWSETA provide a credible skills and evaluation system that ensures that its funding initiatives yield good impact in the stratege Programme 3: Skills Development Programmes and Projects  The purpose of this programme is to provide skills for learners in the workplace is scarce and cri within the health and welfare sectors. To this end, this programme is responsible for the imple of learning programmes, approval of grants and implementation of projects. It also provides advice to employers wishing to access grants from the HWSETA.  Sub-Programme 3.1: Learning Programmes  Purpose:  The purpose of this sub-programme is to implement learning programmes. It also provides advice to employers wishing to access grants from the HWSETA.  Institutional  Outcomes  The HWSETA supports the growth of the public college system so that public colleges may quentres of specialisation in the strategic period  The HWSETA contributes to the improvement of level of skills for 50% of the South African through various learning programmes that address the critical skills required by the sec strategic period.  The HWSETA contributes to the improvement of level of skills for 50% of the South African through various learning programme is to ap	
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Research, monitoring, evaluation, and impact system of the HWSETA provide a credible skills and evaluation system that ensures that its funding initiatives yield good impact in the stratege	The HWSETA relopment and s surrounding researchers in assessments of
Outcomes and evaluation system that ensures that its funding initiatives yield good impact in the strateger 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 cri within the health and welfare sectors. To this end, this programme is responsible for the imple of learning programmes, approval of grants and implementation of projects. It also provides advice to employers wishing to access grants from the HWSETA.  Sub-Programme 3.1: Learning Programmes  Purpose: The purpose of this sub-programme is to implement learning programmes. It also provides advice to employers wishing to access grants from the HWSETA  Institutional Outcomes The HWSETA supports the growth of the public college system so that public colleges may quentres of specialisation in the strategic period The HWSETA contributes to the improvement of level of skills for 50% of the South African through various learning programmes that address the critical skills required by the second strategic period.  The HWSETA supports the growth of the public college system so that public colleges may quentres of specialisation in the strategic period The HWSETA contributes to increased access, by the unemployed, into occupationally 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 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 go and service delivery, and thus advance social, rural, and community development, as well as for persons with disabilities in the strategic period  The HWSETA contributes to the improvement of level of skills for 50% of the South African through various learning programmes that address the critical skills required by the second through various learning programmes that address the critical skills requ	 kills planning
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through various learning programmes that address the critical skills required by the sec	con worlsfores
strategic period	
The HWSETA supports skills development for entrepreneurial and cooperative activities, as vestablishment of new enterprises and cooperatives in the strategic period.	as well as the

#### 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.



# Phlebotomy

# and medical technology graduation



On 24 May 2024, HWSETA had the honour of yet again seeing off close to 300 phlebotomy and medical technology graduates, many of whom took part in the Phlebotomy Technician Learnership conducted by Themba Futhi Ukhule Innovators and the Medical Technology Learnership conducted by AMPATH.

Phlebotomy is the art of drawing or extracting blood from the cardiovascular system through a puncture to obtain blood samples for analysis and diagnosis, while medical technicians are responsible for using technologies that identify a disease or its cause to treat or improve a person's health and wellbeing. This includes both low- and high-risk medical devices.

At the graduation at Luwende Woord in Centurion, the graduands were addressed by Ms Akhona Vuma of the HPCSA. During her address, she highlighted the importance of medical workers' passion for people, as phlebotomist and medical technicians play a salient role in the medical sector. A moment of silence to honour students who had passed away during the learnership programme was observed. However, those who were present had the opportunity to celebrate their achievements in honour of their late colleagues as they recited "The Modern Hippocratic Oath".



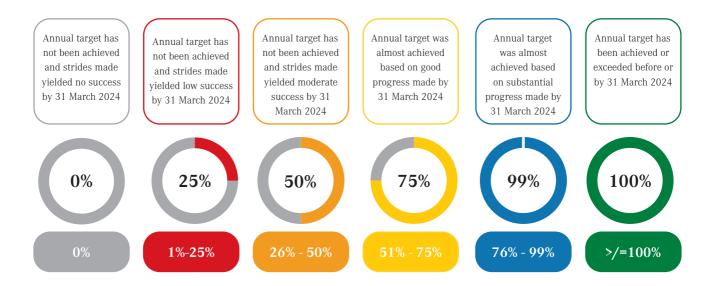
These life changing learnerships began in January 2013. Participants in these two-year programmes receive training in a medical laboratory and take part in workplace and classroom learning. All 55 medical technology graduates of 24 May 2024 have been appointed by AMPATH in various departments as well as 32 phlebotomy graduates in various companies, such as Flowpath, Netcare diagnostics and bloodline labs.

Members of the executive team, namely the Chief Executive Officer Ms Elaine Brass as well the Executive Manager of Skills Development Planning Division, Mr Sikhumbuzo Gcabashe and Board members such as Lungile Duma representing the National Public Workers Union, Ms Lalita Harie representing non-profit organisations and mental health and Ms Bongiwe Malope representing people with disabilities were present to honour the occasion.



Based on the originally tabled 2023/24 APP (Table 2.4.4.1 of the Annual Report)

#### **CLASSIFICATION OF PERFORMANCE**



#### PROGRAMME 2: SKILLS PLANNING AND IMPACT ASSESSMENT

#### Programme 2: Output No. 12

Impact Statement No. 1: The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

Outcome Statement No 1: The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation

system which identifies and increases production of occupations in high demand during the strategic period.										
Output Statement	Output Indicator No	Output Indicator			Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
The SSP updates¹ and research reports produced by the HWSETA are noted² and disseminated to internal³ and external⁴ stakeholders, as well as the general public, through various dissemination platforms in the reporting period.	12	Number of SSP updates and applied research reports <sup>5</sup> completed and noted <sup>6</sup> by key stakeholders <sup>7</sup> in the reporting period.	a) Research reports	6 120%	5 100%	5	4 80%	-1	Four reports have been completed thus far. Two research projects are in the pipeline towards the achievement of the annual target after being noted by the key stakeholders. Therefore, the annual target will be over-achieved.	Sub-indicators were created to improve specificity and measurability. As a result, the target was also split according to the baseline.
			b) SSP Updates	0**	0**	1	100%	0	No deviation.	

<sup>1</sup> The SSP update is an annual update that precedes the strategic planning and operational planning process. The SSP is an applied research report. What is peculiar about this report is that it is legislated and therefore regulated by the DHET. Also, it has a specific objective of informing the sector about the overall skills needs. The specific mention of the SSP in the indicator is to emphasise its inclusion as one of the research reports to be reported on. Research reports include research papers as they are a form of applied research.

<sup>2</sup> SSP update and research reports produced by the HWSETA are noted by key stakeholders as providing information about occupations in demand, skills needs and the education and training landscape for the sector.

<sup>3</sup> Internal stakeholders include HWSETA implementing managers, or executive managers and/or one of the Board committees.

<sup>4</sup> External stakeholders include employers, skills development providers and/or beneficiaries.

<sup>5</sup> SSP updates and research reports produced by the HWSETA identify occupations in demand and skills needs in the sector and aim to inform planning for skills development in the sector.

<sup>6</sup> Noting of SSP update and research reports by stakeholders refers to the presentation of findings to one of the Board committees.

<sup>7</sup> Stakeholders include either internal or external stakeholders of the HWSETA.

<sup>\*\*</sup>New (sub)iIndicator 2023/24.

## PROGRAMME 3: LEARNING PROGRAMMES, PARTNERSHIPS, PROJECTS AND WSP

#### Programme 3: Output No. 3

**Impact Statement No. 2:** The HWSETA develops a skilled, employable, and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

Outcome Statement No 5: The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare sector

workforce through various learning programmes that address critical skills required in the strategic period

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Workers from the health and welfare sector with learnership agreements registered with the HWSETA as industry funded	3(1)	Number of workers whose learner agreements are registered with the HWSETA for learnerships as industry funded or HWSETA funded in the reporting period	955	1231 58%	955	361	-594	The under- achievement is due to some stakeholders requesting extensions to submit learner agreements.	The annual target was adjusted based on the department's priorities.
or HWSETA funded complete the learnership programmes and are reported to the HWSETA within 12 months of completion in the reporting period	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	22 2%	247	593	140	-453	Completions are low for workers due to low uptake in the previous years. Also, the HWSETA relies on other ETQAs to issue certificates of completion and the HWSETA has no control on turnaround times.	The annual target was adjusted based on the department's priorities.

The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare sector workforce.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable, and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

**Outcome Statement No 5:** The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare sector workforce through various learning programmes that address critical skills required in the strategic period

Torce through vari	ous iouiii	ing programmes that address critic	our bittiit.	roquire	ou iii tiic	bil atog.	o period		
Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Employed apprenticeships and trainee technicians entered into the HWSETA apprenticeship programme	4(1)	Number of employed apprentices and trainee technicians entered into the HWSETA funded apprenticeship programme in the reporting period	49 98%	55	35	0	-35	The under- achievement is due to some stakeholders requesting extensions to submit learner agreements.	The annual target was adjusted based on the department's priorities.
complete the programme and are reported to the HWSETA within 12 months of completion in the reporting period	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	91	50	20	0	-20	Completions have been low for workers due to low uptake in the previous years. Also, the HWSETA relies on other ETOAs to issue certificates of completion and the HWSETA has no control on turnaround times.	The annual target was adjusted based on the department's priorities.

The HWSETA develops a skilled, employable, and highly productive workforce.

**Impact Statement No. 2**: The HWSETA develops a skilled, employable, and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes of the health and welfare sector in the strategic period

the health and we	mare sec	ctor in the strateg	ic period							
Output Statement	Output Indicator No	E T T T T T T T T T T T T T T T T T T T	Output maleator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
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	a) University graduates	1 157	247	750	25 3%	-725	Approval of allocations was communicated to employers in the third quarter. Thus the recruitment and contracting of learners by employers took place in the fourth quarter resulting in the low achievement for the annual target.	The annual target was adjusted based on the department's priorities.
Workers from the health and welfare sector entered into credit and non-credit bearing skills programmes	8(1)	Number of work credit and non-c skills programm HWSETA in the	redit bearing es funded by the	5 388	3 032	6 000	683	-5 317	The under- achievement is due to some stakeholders requesting extensions to submit learner agreements.	The annual target was adjusted based on the department's priorities.
funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	8(2)	Number of work the HWSETA as completed credit bearing skills pr funded by the H reporting period	having and non-credit ogrammes WSETA in the	3 163	1 983	5 000	229	-4 771	Completions have been low for workers due to low uptake in the previous years. Also, the HWSETA relies on other ETQAs to issue certificates of completion and the HWSETA has no control on turnaround times.	The annual target was adjusted based on the department's priorities.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

**Outcome Statement No 3:** The HWSETA makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.

Output Statement	Output Indicator No		Output malcator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
The HWSETA supports public college lecturers to improve onsite practical and vocational capacity in the reporting period.	16(1)	Number of lecturers <sup>8</sup> and managers from TVET and other public colleges <sup>9</sup> funded by the HWSETA for skills development in the reporting period	d) Managers trained on curriculum related studies (TVET and other college lecturers)	0**	0**	10	0 0%	-10	No expression of interest from CET colleges against this programme was received during the call for applications. The allocations and approvals for the project was communicated in the third quarter and contracting of lecturers took place in the	Sub-indicators were created to improve specificity and measurability. As a result, the targets were also split according to the baseline.
			e) Managers trained on curriculum related studies (CET lecturers)	0**	0**	10	0	-10	fourth quarter.  No expression of interest from CET colleges against this programme was received during the call for applications.	

The HWSETA makes career development services related to the health and welfare sector accessible to rural and targeted youth.

<sup>8</sup> Lecturers includes educators of colleges as well as career guidance teachers at schools.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

**Outcome Statement No 3:** The HWSETA makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.

and targeted yout	n in the	strategic period.								
Output Statement	Output Indicator No		Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
	16(2)	Number of lecturers and Managers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA in	b) CET Lecturers	0**	0**	8	0 0%	-8	The programmes funded against the Lecturer Development Programme equire quality assurance from other SETAs and this affects the rate at which completions are reported.	Sub-indicators were created to improve specificity and measurability. As a result, the targets were also split according to the baseline.
		the reporting period	d) Managers trained on curriculum related studies (TVET and other College Lecturers)	0**	0**	8	0 0%	-8	The programmes funded against the Lecturer Development Programme require quality assurance from other SETAs and this affects the rate at which completions are reported. Furthermore, some colleges delayed implementation and priorities learning activities.	
			e) Managers trained on curriculum related studies (CET Lecturers)	0**	0**	8	0 0%	-8	This indicator was implemented for the first time in 2023/24 and no interest was received by HWSETA from CET colleges.	Sub-indicators were created to improve specificity and measurability. As a result, the targets were also split according to the baseline.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

Outcome Statement No 6: The HWSETA contributes to increased access by the unemployed into occupationally directed programmes in

the health and welfare sector during the strategic period.

the health and we	mare sec	ctor during the strategic period.							
Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
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 learning programmes funded by the HWSETA in the reporting period	1 063	36%	800	32 4%	-768	The under achievement during the quarter is as a result of 1) revised targets by the Department in the month on March 2) The HWSETA APP budget was not able to fund the targeted number of learners 3) Employers who were unable to recruit allocated number of learners on before the end of the financial year.	The annual target was adjusted based on the department's priorities.
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(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	1 394	437	1 000	95	-905	The under achievement is based on the submission of the completion certificates/SOR by other quality assurance organisations external to the HWSETA. Time frames are therefore subject to quality assurance processes of other SETAs. Results get delayed due to quality assurance processes.	The annual target was adjusted based on the department's priorities.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

 $\textbf{Outcome Statement No 6:} \ \textbf{The HWSETA contributes to increased access by the unemployed, into occupationally directed programmes in the contribution of the cont$ 

the health and welfare sector during the strategic period.

the health and we	mare sec	ctor during the strategic period.							
Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Unemployed persons entered into credit and non-credit bearing skills programmes by the HWSETA complete these programmes and are reported	30(1)	Number of unemployed persons entered- into credit and non-credit bearing skills programmes funded by the HWSETA in the reporting period	1 623	1 660	1 600	883	-717	The low achievement is due to late submission of entries. The target is expected to increase by the end of the financial year.	The annual target was adjusted based on the department's priorities.
to the HWSETA within 12 months of completion in the reporting period	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	1 932	999	1 400	283	-1 117	The low achievement is based on the submission of the completion certificates/SOR by other quality assurance organisations external to the HWSETA. Time frames are therefore subject to quality assurance processes of other SETAs. Results get delayed due to quality assurance processes.	The annual target was adjusted based on the department's priorities.

The HWSETA contributes to increased access by the unemployed, into occupationally directed programmes in the health and welfare sector.

#### PROGRAMME 3: LEARNING PROGRAMMES, PARTNERSHIPS, PROJECTS, AND WSP

#### Sub-programme 3.2: Partnerships, Projects and WSP

#### Programme 3: Output No. 1

Impact Statement No. 4 The HWSETA contributes to the increased capacity of NGOs, NPOs and trade unions to meet social and rural development needs of South African citizens by 2030.

Outcome Statement No 8: The HWSETA provides support to Trade Unions, NGOs and NPOs in order to strengthen governance and

service delivery, and thus advance social, rural, and community development in the strategic period.										
Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
The HWSETA funds rural and provincial development projects in the health and welfare sector during the reporting period	1	Number of rural and provincial skills development projects funded by the HWSETA to develop and address mid- level skills in the reporting	a) Rural projects	19 271%	8 133%	5	2 40%	-3	The achievement was low as approvals of stakeholders were being finalised. The target is expected to be achieved.	Sub-indicators were created to improve specificity and measurability. As a result, the targets were also split according to the baseline.
		period	b) Provincial projects	0**	0**	3	1 33%	-2	The achievement was low as approvals of stakeholders were being finalised. The target is expected to be achieved.	Sub-indicators were created to improve specificity and measurability. As a result, the targets were also split according to the baseline.
The HWSETA funds the skills development of officials from NGOs, NPOs and trade unions during the reporting period	11(2)	Number of official unions funded by for skills develop	y the HWSETA	81	53	75 (3 unions)	0 0% (0 unions)	-75	The strategy to fund trade unions was approved by the Board in November 2023. Post the approval an error was noted which resulted in the revision of the submission. This caused a delay in implementation of the project.	Unit of measure was revised to align with the SLA with the department.

#### PROGRAMME 4: QUALITY ASSURANCE AND QUALIFICATION DEVELOPMENT

#### Programme 4: Output No. 19

**Impact Statement No. 1:** The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030

Outcome Statement No 3: The HWSETA supports the growth of the public and private college system so that colleges may qualify as

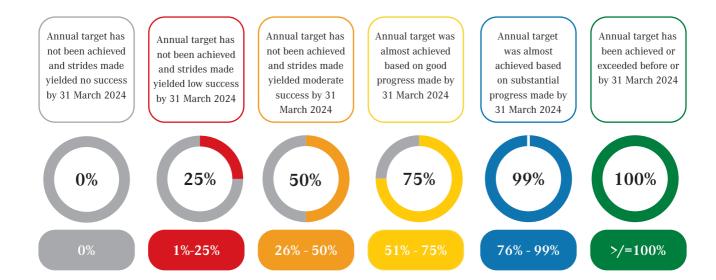
centers of specialisation that offer quality vocational and occupational education for the sector

centers of speciali	Sation ti	nat oner quanty v	ocational and occ	upation	ai euuca	11011 101	tile sect	01		
Output Statement	Output Indicator No		Output mateator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achievement	Reasons for Deviation (Root causes)	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
The HWSETA accredits skills development providers, registers	19(2)	Number of certificates issued by the HWSETA to learners found	a) Qualification certificates	5 224	6 940 278%	1 325	1 718 169%	918	The enrolment of learners for the HWSETA legacy programmes closes on 30	Sub-indicators were created to improve specificity and measurability.
assessors and moderators and issues certificates for learners found competent in the reporting period		competent by skills development providers and then confirmed by HWSETA in the reporting period	b) Statements of results	0**	0**	1 175	3 273 285%	2 180	June 2024. SDPs are teaching out and exiting all the enrolled learners before the termination of all legacy programmes on 30 June 2029. SDPs are rushing to meet the deadlines.	As a result, the targets were also split according to the baseline.
The HWSETA develops full and part occupational qualifications relevant to occupations in	24	Number of part and full occupational qualifications, as well as skills programmes	a) Full and part qualification	1 100%	1 100%	1	0	-1	Development of one qualification was being finalised for submission to QCTO for review.	Sub-indicators were created to improve specificity and measurability. As a result, the
the sector in the reporting period.		developed by the HWSETA and accepted by the QCTO for registration in the report- ing period	b) Skills programme	1 100%	1 100%	2	3 100%	1	Three skills programmes were submitted to QCTO for evaluation. The programmes are:  Basic first aid for employees First aid for intermediate first aid Advanced first aid	targets were also split according to the baseline.



Based on re-tabled 2023/24 APP (Table 2.4.4.2 of the Annual Report)

## CLASSIFICATION OF PERFORMANCE



#### **PROGRAMME 1: ADMINISTRATION**

#### Programme 1: Output No. 15

**Impact Statement No. 1:** The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030.

Outcome Statement No 4: The HWSETA makes career development services related to the health and welfare sector accessible to rural

and targeted youth in the strategic period.

and targeted yout	n in the	strategic period.							
Output Statement	Output Indicator No		Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
The HWSETA makes career development services accessible to school and post-school youths <sup>1</sup> , mainly from rural areas, in the reporting period	15	Number of school and post-school youth² from urban and rural areas³ reached through career development awareness programmes in the reporting period	a) Rural areas	8 402	11 684	4 250 (5 events)	5 983 141% (21 events)	1 733	Over achievement on this target was due to a well-executed strategy by the Marketing and Communications sub-division. The strategy focused on a targeted approach to schools/events and learners that were most well-suited to the sectors that the HWSETA services.
			b) Urban areas	0**	0**	4 250 (5 events)	8 817 207% (21 events)	4 567	Over achievement on this target was due to a well-executed strategy by the Marketing and Communications sub-division. The strategy focused on a targeted approach to schools/events and learners that were most well-suited to the sectors that the HWSETA services.

<sup>1</sup> This indicator identifies business processes planned to be automated, confirms their automation as well as usefulness of that automation by stakeholders who are users of the automated business processes in the reporting period.

<sup>2</sup> This indicator identifies business processes planned to be automated, confirms their automation as well as usefulness of that automation by stakeholders who are users of the automated business processes in the reporting period.

<sup>3</sup> School youths are comprised of pupils still in school, from Grade 9 to 12. Post-school youth comprise 15-year to 34-year olds who are outside the schooling system either due to dropping out of school or from completing matric. These youths are grouped by location, either by being from urban or rural areas. The location of school youths is identified through the school in which these youth attended career development awareness event as a proxy indicator. The location of post-school youth is identified through the addresses these youth provide on the career portal of the HWSETA.

<sup>\*\*</sup>New sub-indicator 2023/24

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

 $\textbf{Outcome Statement No 1:} \ \textbf{The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation}$ 

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achieve- ment	Reasons for Deviation (Root causes)
The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies	18.1	Percentage of filled positions in the HWSETA organisational structure of the HWSETA to facilitate the delivery of its mandate and achievement of its targets in the reporting period	96% (146/ 152) 101%	98% (146/ 152) 103%	95%	95% (145/ 152) 100%	0%	The HWSETA implemented its newly developed recruitment plan which enabled vacant positions to be filled expeditiously, thus meeting the annual target.
occupations in high demand during the strategic period.	18.2	Number of HWSETA good governance reports submitted to the Department of Higher Education and Training in the reporting period.	0**	0**	4	100%	0	No deviation.
The HWSETA business processes are automated and integrated for effective delivery of services to the sector in the reporting period	20	Percentage of business processes automated and confirmed by stakeholders as useful for efficient service delivery in the reporting period	92%	90%	90%	93%	3%	All core business functions, that is, Finance, SDP, and ETQA have been completed. Phase 2, which involves development of modules for SCM, Marketing and Business Intelligence is underway. Requirement gathering and planning for phase 2 is in progress.

<sup>\*\*</sup>New indicator 2023/24

#### PROGRAMME 2: SKILLS PLANNING AND IMPACT ASSESSMENT

#### Programme 2: Output No. 12

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

Outcome Statement No 1: The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation

Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
The SSP updates <sup>4</sup> and research reports produced by the HWSETA are noted <sup>5</sup> and disseminated to internal <sup>6</sup> and external <sup>7</sup> stakeholders, as well as the general public,	12	Number of SSP updates and applied research reports <sup>8</sup> completed and noted <sup>9</sup> by key stakeholders <sup>10</sup> in the reporting period.	a) Research reports	6 120%	5 100%	5	6 120%	1	Six research reports were completed and confirmed by key stakeholders in 2023/24. Consequently, the annual target of five reports has been exceeded by one unit extra.
through various dissemination platforms in the reporting period			b) SSP updates	0**	0**	1	100%	0	No deviation.

<sup>\*\*</sup>New (sub)/indicator 2023/24

<sup>4</sup> SSP refers to the Sector Skills Plan. The SSP update is an annual update that precedes the strategic planning and operational planning process. The SSP is an applied research report. What is peculiar about this report is that it is legislated and therefore regulated by the DHET. It also has a specific objective of informing the sector about the overall skills needs. The specific mention of the SSP in the indicator is to emphasise its inclusion as one of the research reports to be reported on. Research reports include research papers as they are a form of applied research.

<sup>5</sup> SSP update and research reports produced by the HWSETA are noted by key stakeholders as providing information about occupations in demand, skills needs and the education and training landscape for the sector.

 $<sup>\</sup>begin{tabular}{ll} 6 & nternal stakeholders include HWSETA implementing managers, or executive managers and/or one of the Board committees. \\ \end{tabular}$ 

<sup>7</sup> External stakeholders include employers, skills development providers, and/or beneficiaries.

<sup>8</sup> 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.

<sup>9</sup> Noting of SSP update and research reports by stakeholders refers to the presentation of findings to one of the Board committees.

<sup>10</sup> Stakeholders include either internal or external stakeholders of the HWSETA.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

Outcome Statement No 1: The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achieve- ment	Reasons for Deviation (Root causes)
The monitoring, evaluation, and impact studies, including tracer studies, produced by the HWSETA, are noted, and disseminated to internal/ or external stakeholders through various dissemination platforms in the reporting period.	5	Number of monitoring, evaluation, and impact studies, including tracer studies, completed and confirmed by key stakeholders <sup>11</sup> as measuring the performance of learning programmes and projects implemented by the HWSETA in the reporting period	5 125%	7 117%	6	7 117%	1	The 2020-2025 strategic plan is measured through 34 outcome indicators. To measure all 34 outcome indicators by 2025, more studies were conducted in the current financial year.
Workers in the health and welfare sector given bursaries by the HWSETA complete post-graduate degree <sup>12</sup> 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 postgraduate research bursaries <sup>13</sup> in the reporting period	60	106	60	114	54	The over achievement is due to a high need for funding that was expressed by universities which the Board responded to by approving additional funds. Also, the efficient submission of student documentation by the universities resulted in the annual target of 60 being exceeded by 54 extra units.

<sup>11</sup> Stakeholders include either internal or external stakeholders of the HWSETA.

According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No. 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: Under-graduate qualifications • Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree; Post-graduate qualifications • Post-graduate Diploma • Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however has to operationalise its under-graduate and post-graduate bursary programmes to represent the following types of qualifications: Under-graduate bursary programme to fund: Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. The post-graduate bursary programme to fund: Honours Degree • Master's Degree • Doctoral or PhD Degrees.

<sup>13</sup> Post-graduate bursaries therefore support: Honours Degrees • Master's Degrees • Doctoral or PhD Degrees.

period

6(3)

Number of workers reported

completed postgraduate research qualifications funded by the HWSETA in the reporting period

to the HWSETA for having

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

**Outcome Statement No 1:** The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies and increases production of occupations in high demand during the strategic period.

Target to Actual Achieve-Deviation from Planned Planned Annual Targe until date of re-tabling Achievement 2021/22 Achievement 2022/23 Reasons for Deviation Actual Achievement Output Indicator No Output Statement Output Indicator Audited Actual Audited Actual (Root causes) 2023/24 2023/24 Workers in Number of workers re-entered 24 29 18 Annual over 5 achievement the health and into the HWSETA postgraduate 264% is due to a welfare sector research bursaries in the higher number given bursaries reporting period of students by the HWSETA continuing with complete their studies post-graduate than the number degree<sup>14</sup> anticipated. Also, qualifications additional funds funded by the approved by the HWSETA and are board facilitated reported to the the funding of HWSETA within these additional 12 months of students. completion in Consequently, the reporting the annual target

35

28

28

100%

0

of 11 has been exceeded by 18 extra units.

No deviation.

According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No. 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: Under-graduate qualifications • Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree; Post-graduate qualifications • Post-graduate Diploma • Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however has to operationalise its under-graduate and post-graduate bursary programmes to represent the following types of qualifications: Under-graduate bursary programme to fund: Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. The post-graduate bursary programme to fund: Honours Degree • Master's Degree • Doctoral or PhD Degrees.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes in the health and welfare sector during the strategic period

Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from Planned Target to Actual Achieve- ment	Reasons for Deviation (Root causes)
Unemployed persons awarded bursaries by the HWSETA for post-school education complete the post-graduate degree 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 research bursaries in the reporting period	41 103%	70 175%	40	103	63	The over achievement is due to a high need for funding that was expressed by universities which the Board responded to by approving additional funds. Also, the efficient submission of student documentation by the universities resulted in the annual target of 40 being exceeded by 63 extra units.
	27(2)	Number of unemployed persons re-entered into the HWSETA postgraduate research bursaries in the reporting period	8 50%	15 94%	14	16	2	Annual over achievement due to a higher number of students continuing with their studies than the number anticipated. Also, additional funds approved by the Board facilitated the funding of these additional students. Consequently, the annual target of 14 has been exceeded by 2 units.
	27(3)	Number of unemployed persons reported to the HWSETA as having completed postgraduate research qualifications funded by the HWSETA in the reporting period	28 175%	5 31%	20	31 155%	11	Annual over achievement due to submission of the completion documents by universities using the enforcement of 5% last tranche as an incentive. Consequently, the annual target of 20 has been exceeded by 11 units.

# PROGRAMME 3: LEARNING PROGRAMMES, PARTNERSHIPS, PROJECTS AND WSP

# Programme 3: Output No. 3

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

Outcome Statement No 5: The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare sector

workforce through various learning programmes that address critical skills required in the strategic period

workforce tillougi	i variou:	s learning programmes that address	citudal SK	ms require	u III tile sti	ategic perio	)u	
Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
Workers from the health and welfare sector with learnership agreements registered with the HWSETA as industry or HWSETA funded complete the learnership programmes and are reported to the HWSETA within 12 months of completion in the reporting	3(1)	Number of workers whose learner agreements are registered with the HWSETA for learnerships as industry or HWSETA funded in the reporting period	955	1 231 58%	1 062	652	-410	Employers indicated that they prefer short learning programmes compared to long term programmes as these take employees away from production areas. They do not have funds for replacement workers while their full-time staff are away on training.
period	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	22 2%	247 25%	735	218	-517	HWSETA funds qualifications that are quality assured by other bodies such as QCTO and statutory councils. These bodies have their own processes of examinations and verification which fall outside the reporting periods of the HWSETA. This lies outside the control of the HWSETA.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
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	49 98%	55	44	37 84%	-7	The HWSETA implementation strategy that aims to achieve 85% of the target in order to reduce the overcommitted state of the HWSETA was achieved. Also, employers indicated that they prefer short learning programmes compared to long term programmes as these take employees away from production areas. They do not have funds for replacement workers while their full-time staff are away on training.
	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	91 364%	50	25	0	-25	HWSETA funds qualifications that are quality assured by other bodies such as QCTO and statutory councils. These bodies have their own processes of examinations and verification which fall outside the reporting periods of the HWSETA. This lies outside the control of the HWSETA.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

workforce tilrough	i variou	ious learning programmes that address critical skills required in the strategic period							
Output Statement	Output Indicator No	:	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)	
Workers in the health and welfare sector given bursaries by the HWSETA complete under- graduate <sup>15</sup> and post graduate diploma 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 qualifications and postgraduate diploma bursaries <sup>16</sup> in the reporting period	a) Bursaries for undergraduate qualifications	686	63	380	199	-181	The sector which the HWSETA serves is made up of professionals with degrees and registered with respective statutory bodies. It is unlikely that there are professionals without the requisite degrees hence the low number of undergraduate entries that are employed. Post graduate diplomas for the employed have just been offered online which is accessible to most working people. The HWSETA is expecting more workers to register in these post qualifications diplomas as uptake on the online platform increases.

According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No. 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: Under-graduate Qualifications • Higher Certificate • Advanced Certificate • Diploma • Bachelor's Degree; Post-graduate qualifications • Post-graduate Diploma • Bachelor Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however has to operationalise its undergraduate and post-graduate bursary programmes to represent the following types of qualifications: Undergraduate bursary programme to fund: Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. Post-graduate bursary programme to fund: Honours Degree • Master's Degree • Doctoral or PhD Degrees

<sup>16</sup> Under-graduate and post-graduate diploma bursaries therefore support Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

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Output Statement	Output Indicator No		Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
			b) Bursaries for postgraduate diplomas	0**	0**	205	58 28%	-147	The sector which the HWSETA serves is made up of professionals with degrees and registered with respective statutory bodies. It is unlikely that there are professionals without the requisite degrees hence the low number of undergraduate entries that are employed. Post graduate diplomas for the employed have just been offered online which is accessible to most working people. The HWSETA is expecting more workers to register in these post qualifications diplomas as uptake on the online platform increases.
	6(5)	Number of workers re- entered into the HWSETA undergraduate qualifications and post- graduate diploma bursaries in the reporting period	a) Bursaries for undergraduate Qualifications	50	40 27%	15	267%	25	Re-entries are based on the number of students funded by the HWSETA in the previous year who are eligible to progress academically. The over achievement is due to more learners progressing.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

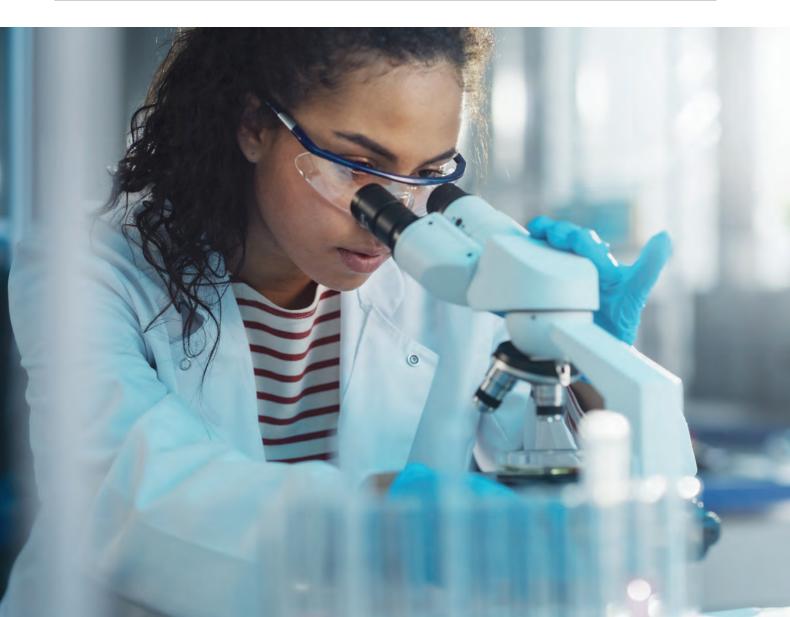
workforce through	i variou	s learning prograi	mmes that addre <mark>ss</mark>	s critical sk	ilis require	a in the str	ategic perio	oa	
Output Statement	Output Indicator No	:	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)	
			b) Bursaries <sup>17</sup> for postgraduate diplomas	0**	0**	10	0	-10	All learners who were funded for postgraduate programmes in the prior year completed their studies in the same year and were thus reported then. It is expected that learners entered in the current year on a part-time basis will continue in the programme and will thus be funded as continuing students in 2024/25.
Workers in the health and welfare sector given bursaries by the HWSETA complete undergraduate <sup>18</sup> and post graduate diploma qualifications funded by the HWSETA and are reported to the HWSETA within 12 months of completion in the reporting period	6(6)	Number of workers reported to the HWSETA for having completed undergraduate qualifications and postgraduate diploma qualifications funded by the HWSETA in the reporting period	a) Bursaries for undergraduate qualifications	57	66%	30	11 37%	-19	The under achievement on completions is due to delayed reporting by implementing partners. Furthermore, completion is only based on learners being confirmed by respective institutions as having obtained their qualifications (not achievement of academic year).

<sup>17</sup> Since this is the first year this programme has been introduced for workers who entered into Post-Graduate Programmes that covers two years, eg those that are parttime will be funded as re-entries into the PGD-programmes

According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No. 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: Under-graduate Qualifications • Higher Certificate • Advanced Certificate • Diploma • Bachelor's Degree; Post-graduate Qualifications • Post-graduate Diploma • Bachelor Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however has to operationalize it's Undergraduate and Post-graduate bursary programmes to represent the following types of qualifications: Undergraduate bursary programme to fund: Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. Post-graduate bursary programme to fund: Honours Degree • Master's Degree • Doctoral or PhD Degrees

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement C023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
		b) Bursaries for postgraduate diplomas	0**	0**	10	0 0%	-10	All learners who were funded for Post Graduate programme in the prior year completed their studies in the same year and were thus reported then. It is expected that learners entered in the current year on a full-time basis will complete their studies during the 2024-2025 financial year.



**Impact Statement No. 2:** The HWSETA develops a skilled, employable, and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6**: The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period

of the health and	welfare	sector in the strat	egic period						
Output Statement	Output Indicator No	:	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
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	a) University graduates	1 157	247	720	406	-314	Approval of allocations was communicated to employers in the third quarter and thus the recruitment and contracting of learners by employers took place in the fourth quarter resulting in the under achievement of the annual target.
			b) TVET and other public college graduates	0*	201	325	203	-122	The under achievement is due to the intense recruitment strategies implemented by HWSETA approved employers for unemployed learners. One employer involved in the delivery of child and youth care projects failed to due to delayed recruitment. This resulted in the under achievement of this target.
	7(2)	Number of unemployed graduates reported to the HWSETA as having completed the	a) University graduates	1 125	30 5%	610	25 4%	-585	The under achievements on completions are due to delayed reporting by implementing partners.
		internship programme funded by the HWSETA in the reporting period	b) TVET and other public college <sup>19</sup> graduates	0*	33	260	0	-260	The non-achievements on completions are due to delayed reporting by implementing partners.

<sup>\*</sup>New indicator introduced by the ministerial budget speech (2022/23)

<sup>19</sup> Other public colleges can be described as health and social sector colleges which comprise colleges that are recognised by professional councils, such as the Nursing Council for nursing colleges, the HPCSA for emergency services colleges; HPCSA for Psychology Colleges, Pharmacy Council for Pharmacy Colleges, various religious councils for various religious colleges, Veterinary Council for agricultural colleges etc. CETs are also included in this definition. These colleges are a priority for the HWSETA as they are colleges in the health and welfare sector.

**Impact Statement No. 2**: The HWSETA develops a skilled, employable, and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
Workers from the health and welfare sector entered into	8(1)	Number of workers entered into credit and non-credit bearing skills programmes funded by the HWSETA in the reporting period	5 388	3 032	6 420	939	-5 481	The target was not achieved due to budgetary constraints.
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(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	3 163 76%	1 983	5 350	485	-4 865	The under achievement is based on the submission of the completion certificates/ SOR by the participating organisation. The time frames are not HWSETA dependent as the project is subject to quality assurance processes by another SETA. The overall under achievement is based on the number of learners funded in the previous financial years. Results get delayed due to quality assurance processes.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

Outcome Statement No 3: The HWSETA makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.

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Output Statement		Output Indicator No		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)		
The HWSE supports p college lec to improve onsite pracand vocation capacity in the reportion	oublic turers e ctical onal	16(1)	Number of lecturers <sup>20</sup> and managers from TVET <sup>21</sup> and other public colleges <sup>22</sup> funded by the HWSETA for	Lecturers	a) TVET and other college lecturers	57	43	15	14 93%	-1	The allocations and approvals for the project was communicated in the third quarter and contracting of lecturers took place in the fourth quarter.
period.			skills pro- grammes in the reporting period		(b) CET <sup>23</sup> College Lecturers	0**	0**	10	0	-10	No expression of interest from CET colleges against this programme was received during the call for applications.
				c) Care	er guidance ers	15	22 147%	15	8 53%	-7	The allocations and approvals for the project was communicated in the third quarter and contracting of lecturers took place in the fourth quarter. The underachievement is also as a result of the HWSETA validation measures against reported information.
				Managers trained on curriculum related studies	d) TVET and other colleges	0**	0**	10	12	2	The allocations and approvals for the project was communicated in the third quarter and contracting of lecturers took place in the fourth quarter
					e) CET colleges	0**	0**	10	0	-10	No expression of interest from CET colleges against this programme was received during the call for applications.

 $<sup>20 \</sup>quad Lecturers \ includes \ educators \ of \ colleges \ as \ well \ as \ career \ guidance \ teachers \ at \ schools.$ 

<sup>21</sup> TVET refers to technical vocational education and training.

<sup>22</sup> Other public colleges comprise nursing colleges, emergency services colleges (EMS), and agricultural colleges (for veterinary training) etc. These colleges are a priority for the HWSETA as they are colleges in the health and welfare sector

<sup>23</sup> CET refers to community education and training.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

 $\textbf{Outcome Statement No 3:} \ \textbf{The HWSETA makes career development services related to the health and welfare sector accessible to the relation of the rela$ 

rural and targeted youth in the strategic period.

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Output Statement	Output Indicator No		Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
	16(2)	Number of lecturers and managers from TVET and other public colleges reported to the HWSETA as having com- pleted training funded by the HWSETA in the reporting period	Lecturers	a) TVET and other college lecturers	57	43	14	10 71%	-4	The programmes funded against the lecturer development programme require quality assurance from other SETAs and this affects the rate at which completions are reported. Furthermore, some colleges delayed implementation and priorities learning activities.
				b) CET lecturers	0**	0**	8	6 75%	-2	The programmes funded against the lecturer development programme require quality assurance from other SETAs and this affects the rate at which completions are reported.
			c) Care lecture	eer guidance ers	0*	22	15	6 40%	-9	The programmes funded against the lecturer development programme require quality assurance from other SETAs and this affects the rate at which completions are reported. Furthermore, some colleges delayed implementation and priorities learning activities.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

Outcome Statement No 3: The HWSETA makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.

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Output Statement	Output Indicator No		Output Indicator			Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
			Managers trained on curriculum related studies	d) TVET and other college lecturers	0**	0**	8	0	-8	The programmes funded against the lecturer development programme require quality assurance from other SETAs and this affects the rate at which completions are reported. Furthermore, some colleges delayed implementation and priorities learning activities.
				e) CET lecturers	0**	0**	8	0	-8	This indicator was implemented for the first time in 2023/24 and no interest was received by HWSETA from CET colleges.



**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand.

Outcome Statement No 3: The HWSETA makes career development services related to the health and welfare sector accessible to

rural and targeted youth in the strategic period.

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Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
The HWSETA supports public college students and lecturers through vocational and occupational training bursaries in the reporting period	17(1)	Number of students and lecturers from TVET and other public colleges funded by the HWSETA through vocational and occupational training bursaries in the reporting period	a) TVET and other public college students	879 109%	506	662	463	-199	The under achievement is as a result of delayed contracting by implementing parties. Vocational programmes at TVET colleges are scheduled based on funding made available and thus planning before implementation becomes important.
			b) TVET and other public college lecturers	0**	0**	12	33%%	-8	The appetite from TVET colleges in the financial year for this programme was low. The interest from TVET colleges for lecturers was more on university developmental programmes and these do not fit the criteria of the HWSETA.
	17(2)	Number of students and lecturers from TVET and other public colleges reported to the HWSETA as	a) TVET and other public college students	496	97	374	42	-332	The under achievement is as a result of delayed reporting by funded organisations and compliance.
		having completed training funded by the HWSETA through vocational and occupational training bursaries in the reporting period	b) TVET and other public college lecturers	0**	0**	6	0	-6	This sub-indicator was implemented for the first time in 2023/24 and thus candidates who entered will complete in the next financial year.

<sup>\*\*</sup>New sub-indicator 2023/24

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

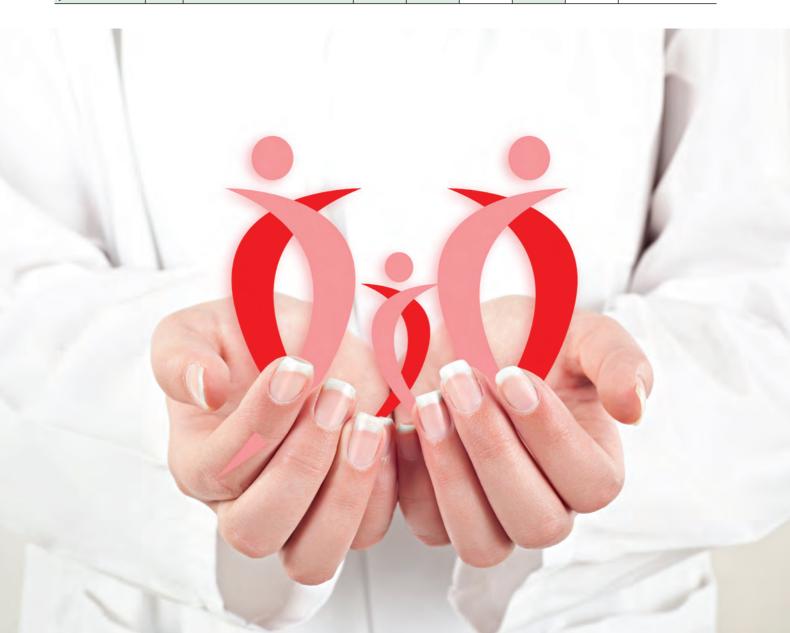
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	Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)	
th ar sec in ec tr profut th cc profut ar	forkers from the health and welfare ector entered to adult ducation and taining (AET) togrammes anded by the HWSETA togrammes and are reported the HWSETA	21(1)	Number of workers entered into AET <sup>24</sup> programmes funded by the HWSETA in the reporting period	324	229	165	90 55%	-75	The achievement of this target was affected by the contracting of learners by organisations. The quality of the documents submitted as well as quality of recruited learners (rejected based on age) had an impact.	
m cc th	ithin 12 onths of ompletion in ee reporting eriod	21(2)	Number of workers reported to the HWSETA as having completed AET programmes funded by the HWSETA in the reporting period	8 40%	0	130	30 23%	-100	The under achievement is as a result of delayed reporting by funded organisations and compliance.	

<sup>24</sup> AET stands for adult education and training.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable, and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes of the health and welfare sector in the strategic period.

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)	
Unemployed apprentices and trainee technicians entered into the HWSETA apprenticeship	26(1)	Number of unemployed apprentices and trainee technicians entered into the HWSETA funded apprenticeship programme in the reporting period	102	117	100	102	2	The quarterly target was achieved due to the 100% participation of learners in the planned training.	
programme complete the programme and are reported to the HWSETA within 12 months of completion in the reporting period.	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	158 316%	64	50	53	3	The quarterly target was not achieved due to delayed submission my employers.	



**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes of the health and welfare sector in the strategic period.

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Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
Unemployed persons awarded bursaries by the HWSETA for post-school education complete the undergraduate <sup>25</sup> and post-graduate diploma qualifications and are reported to the HWSETA within 12 months of completion in the reporting	27(4)	Number of unemployed persons entered into the HWSETA undergraduate qualifications and postgraduate diploma bursaries in the reporting period	a) Bursaries for undergraduate qualifications	343	131	340	274	-66	Approvals for new students was communicated in October 2023 to all qualifying institutions and the contracting of learners took place over the third and fourth quarter. The HWSETA budget for the 2023/24 financial year could only accommodate 267 learners who have thus entered the programme.
period.			b) Bursaries for Postgraduate diplomas	0**	0**	100	7 7%	<del>-</del> 93	The HWSETA strategy focused on funding post-graduate diploma programmes with the health and social development sectors. Upon implementation of the programme, it became apparent that most health sciences and social science faculties only allow learners to enroll on post-graduate diploma programmes when employed. This therefore affected the number of learners who entered the programme.

According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No. 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: Under-graduate qualifications • Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree; Post-graduate Diploma • Post-graduate qualifications • Bachelor Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however, has to operationalise its undergraduate and post-graduate bursary programmes to represent the following types of qualifications: Undergraduate bursary programme to fund: Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. Post-graduate bursary programme to fund: Honours Degree • Master's Degree • Doctoral or PhD Degrees.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

Outcome Statement No 6: The HWSETA contributes to increased access by the unemployed into occupationally directed programmes

of the health and welfare sector in the strategic period.

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Output Statement	Output Indicator No	:	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)	
	27(5)	Number of unemployed persons re- entered into the HWSETA undergraduate qualifications and postgraduate diploma bursaries in the reporting period	a) Bursaries for undergraduate qualifications	577	224%	150	187	37	The budget for the 2023/24 financial year was lower than the number of continuing students and thus the institution with the most learners was prioritised. The under achievement is because of the delayed conclusion of the Sefako Makgatho MOA and learner registration.
			b) Bursaries for postgraduate diplomas	0**	0**	50	0 0%	-50	The HWSETA strategy focused on funding post graduate diploma programmes with the health and social development sectors. Upon implementation of the programme, it became apparent that most health sciences and social science faculties only allow learners to enroll on post-graduate diploma programmes when employed. This therefore affected the number of learners who entered the programme thus impacting completions.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes of the health and welfare sector in the strategic period.

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Output Statement	Output Indicator No	:	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)	
	27(6)	Number of unemployed persons reported to the HWSETA as having completed undergraduate qualifications and post- graduate diploma qualifications funded by the HWSETA in the reporting period	a) Bursaries for undergraduate qualifications	463 265%	246	150	70 47%	-80	The reporting of completions for undergraduate bursars is dependent on learners completing the qualification. Learners are enrolled on the programme being in different academic years (with medicine having a study period of 6 years) and thus the number reported is below the target.
			b) Bursaries for postgraduate diplomas	0**	0**	50	0	-50	Since numbers for entries were affected during implementation, there were no completions achieved.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

 $\textbf{Outcome Statement No 6:} \ \textbf{The HWSETA contributes to increased access by the unemployed into occupationally directed} \\$ 

programmes in the health and welfare sector during the strategic period.

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
The TVET, other colleges, and university students funded by the HWSETA for work integrated learning 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 learning programmes funded by the HWSETA in the reporting period	1 063	290	1 000	639	-361	The under achievement is as a result of:  1) Employers who were unable to recruit allocated number of learners before the end of the financial year.  2) The HWSET APP budget was not able to fund the targeted number of learners 3) The revised targets by the Department in the month of March.
	28(2)	Number TVET and other college students reported to the HWSETA as having completed the work integrated learning programmes funded by the HWSETA in the reporting period	7 1%	96	480	401	-79	The TVET WIL programme spans the financial year as the duration is 18 months from the date a learner is placed. Learners funded in the 2023/24 financial year will complete their WIL placement in 2024/25. The achievement is based on learners who entered the WIL programme in the 2022/23 financial year.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes in the health and welfare sector during the strategic period.

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Output Statement	Output Indicator No	Output Indicator No		Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)		
	32(1)	Number of university students entered into work integrated learning programmes funded by the HWSETA in the reporting period	810	479	250	345	95	WIL durations across the different academic programmes vary and thus the HWSETA budget for the 2023/24 financial year was able to accommodate more learners than targeted. Employers also motivated for a revised budget (below maximum cost per learner) allocation to allow for more learners in need to benefit from the programme. The over. achievement in the quarter is also due to most WIL programmes commencing at the beginning of the academic year 2024.		
	32(2)	Number of university students reported to the HWSETA as having completed the work integrated learning programmes funded by the HWSETA in the reporting period	438	512 256%	160	90%	-16	The reporting of completions for the WIL was affected by the delayed reporting by institutions.		

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

 $\textbf{Outcome Statement No 6:} \ \textbf{The HWSETA contributes to increased access by the unemployed into occupationally directed programmes}$ 

in the health and welfare sector during the strategic period.

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
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 learner agreements are registered with the HWSETA for learnerships as industry or HWSETA funded in the reporting period	1 955	2 019	1 850	831	-1 019	The deviation is due to the continuing artisans' learners and learners enrolled for the National Certificate: Clothing, Textiles, Footwear and Leather Manufacturing Processes who are not reportable as per TID. These learners are already reportable in the prior year.
	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	1 394	437 55%	1 270	574 45%	-696	The under achievement is based on the submission of the completion certificates/ SOR by the participating organisations. The time frames are not HWSETA dependent as the project is subject to quality assurance processes by another SETA. The overall under achievement is based on the number of learners funded in the previous financial years. Results get delayed due to quality assurance processes.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

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Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
Unemployed persons entered into credit and non-credit bearing skills programmes funded by the HWSETA complete these programmes and are reported to the HWSETA	30(1)	Number of unemployed persons entered into credit and non- credit bearing skills programmes funded by the HWSETA in the reporting period	1 623	1 660	1 712	3 395	1 683	During the 2023/24 financial year, the HWSETA partnered with higher health for the training of unemployed persons as a result was able achieve a higher number than planned for entries.
within 12 months of completion in the reporting period	30(2)	Number of unemployed persons reported to the HWSETA as having completed credit and noncredit bearing skills programmes funded by the HWSETA in the reporting period	1 932	999	1 498	674	-824	The under achievement is based on the submission of the completion certificates/ SOR by the participating organisation. The time frames are not HWSETA dependent as the project is subject to quality assurance processes by another SETA. The overall under achievement is based on the number of learners funded in the previous financial years. Results get delayed due to quality assurance processes.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 6:** The HWSETA contributes to increased access by the unemployed into occupationally directed programmes in the health and welfare sector during the strategic period.

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Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
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	a) Access of CET unemployed learners into AET programmes	669	645	20	17 85%	-3	The HWSETA implementation strategy that aims to achieve 85% of the target in order to reduce the overcommitted state of the HWSETA was achieved. Also, due to the lack of participation by the CET colleges, the HWSETA implemented a direct approach to one of the CET colleges who have participated well in previous projects.
			b) Other unemployed persons entering AET programmes	0**	0**	300	193	-107	The achievement of this target was affected by the contracting of learners by organisations. The quality of the documents submitted as well as quality of recruited learners (rejected based on age) had an impact.

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

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in the health and	sector during the sti	rategic period.							
Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
	31(2)	Number of unemployed persons reported to the HWSETA for having completedAET programmes funded by the HWSETA in the reporting period	a) CET unemployed learners completing AET programmes	162	670	16	43 269%	27	During the 2022/23 financial year, the HWSETA partnered with more CET colleges for the training of unemployed persons as a result was able achieve a higher number than planned for completions. Programmes commencement was delayed therefore learners completed in 2023/24.
			b) Other unemployed persons completing AET programmes	0**	0**	234	49 21%	-185	The under achievement is as a result of delayed reporting by funded organisations and compliance.

#### PROGRAMME 3: LEARNING PROGRAMMES, PARTNERSHIPS, PROJECTS, AND WSP

Sub-programme 3.2: Partnerships, projects and WSP

# Programme 3: Output No. 1

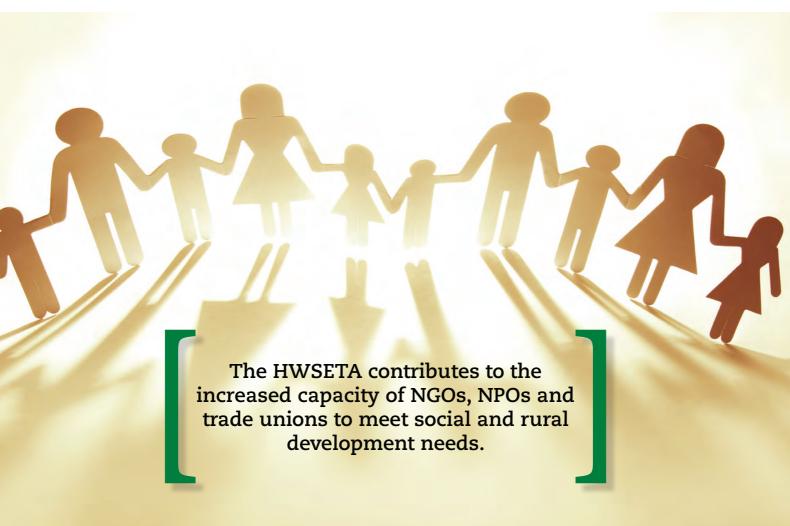
**Impact Statement No. 4:** The HWSETA contributes to the increased capacity of NGOs, NPOs and trade unions to meet social and rural development needs of South African citizens by 2030.

 $\textbf{Outcome Statement No 8:} \ \textbf{The HWSETA provides support to trade unions, NGOs and NPOs in order to strengthen governance and the strength of the strength$ 

service delivery and thus advance social, rural, and community development in the strategic period.

Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
The HWSETA funds rural and provincial development projects in the health and welfare sector	1	Number of rural and provincial skills development projects funded by the HWSETA to develop and	a) Rural projects	19 271%	8 133%	5	5 100%	0	Target achieved. All conditionally approved employers took up the funding and implemented the rural projects.
during the reporting period		address mid- level skills in the reporting period	b) Provincial projects	0**	0**	3	3 100%	0	Target achieved. All conditionally approved employers took up the funding and implemented provincial projects.

<sup>\*\*</sup>New sub-indicator 2023/24



**Impact Statement No. 1:** 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:** 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 Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
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	348 128%	173 58%	000 Pia	108 27%	-292 -Adf	The HWSETA strategy in the 2023-2024 financial year aimed to prioritise its medium to large organisations due to the potential of employment after completion of the programmes for the HWSETA learners. This has resulted in a more refined qualifying criteria for employers and eliminated organisations that have failed to deliver on programmes in the previous financial years.

## Programme 3: Output No. 9

**Impact Statement No. 3:** The HWSETA contributes to the 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 7:** The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises in the strategic period.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
The HWSETA fund skills development of cooperatives of	9	Number of cooperatives in the health and welfare sector whose skills needs are funded by the HWSETA per year	25	21 233%	9	211%	10	Cooperatives were funded from other learning programmes
the health and								across the APP
welfare sector								and this resulted
during the								in the over
reporting period								achievement.

Impact Statement No. 3: The HWSETA contributes to the 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 7:** The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises in the strategic period.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
The HWSETA funds skills development of small and emerging businesses of	10(1)	Number of small and emerging businesses from the health and welfare sector whose skills needs are funded by the HWSETA per year	161	130	120	76 63%	-44	The annual target was not achieved due to fewer SME employers participating in HWSETA funding.
the health and welfare sector during the reporting period	10(2)	Number of people funded by the HWSETA for entrepreneurship development to support their businesses, start-up ventures <sup>20</sup> in the reporting period	0**	0**	25	30 120%	5	The annual target was over achieved due to the 100% attendance of learners for training.

<sup>\*\*</sup>New sub-indicator 2023/24

#### Programme 3: Output No. 11

Impact Statement No. 4: The HWSETA contributes to the increased capacity of the State, NGO, and NPO sector, trade unions to meet social and rural development needs of South African Citizens by 2030.

**Outcome Statement No 8:** 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.

The HWSETA funds the skills development of officials from	(1) Output Indicator No	Number of officials from NGOs <sup>26</sup> and NPOs funded by the HWSETA for skills development	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Dlanned Annual Target 023/24	Actual Achievement 2023/24	Deviation from Planned Of Target to Actual Achievement	The annual target is overachieved due to the 100% attendance of
trade unions during the reporting period	11(2)	Number of officials from trade unions funded by the HWSETA for skills development per year	81	53	75 (3 unions)	41 55% (5 unions)	-34 (0 unions)	Agreements submitted by the workers college do not all meet the reporting requirements.

<sup>26</sup> NGO refers to non-government organisations. NPO refers to non-profit organisations.

**Impact Statement No. 3:** The HWSETA contributes to the 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 7:** The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises in the strategic period.

		1	_	0 1				
Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
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 <sup>27</sup> approved for small firms per year	1 389	1 392	1 200	1 392	192	Annual target is over achieved due to the increased number of small employers complying with the Grant Regulations
	13(2)	Number of WSPs and ATRs approved for medium firms per year	169	177	170	190	20	Annual target is over achieved due to the increased number of medium employers complying with the Grant Regulations
	13(3)	Number of WSPs and ATRs approved for large firms per year	150 152%	155	120	155	35	Annual target is over achieved due to the increased number of large employers complying with the Grant Regulations

The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises.

<sup>27</sup> WSP refers to Workplace Skills Plan and ATR refers to Annual Training Report

Impact Statement No. 4: The HWSETA contributes to the increased capacity of the State, NGO, and NPO sector, Trade Unions to meet social and rural development needs of South African Citizens by 2030.

**Outcome Statement No 8:** 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.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
The HWSETA supports skills development priorities of the Departments 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	11 110%	15 250%	6	10 167%	4	The Departments of Health and Social Development participated provincially and thus the HWSETA was able to partner with the 18 provincial departments. The provincial distribution ensures that all provinces are services and prioritised.

#### Programme 3: Output No. 22

**Impact Statement No. 4:** The HWSETA contributes to the increased capacity of the State, NGO and NPO sector, trade unions to meet social and rural development needs of South African citizens by 2030.

**Outcome Statement No 8:** 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.

Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
The HWSETA funds the skills development initiatives of levy exempt organisations in the reporting period	22	Number of levy exempt organisations whose skills development needs are funded by the HWSETA in the reporting period	179	63	60	39 65%	-21	The annual target is not achieved due to fewer levy exempt employers participating in HWSETA funding.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand.

**Outcome Statement No 2:** 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.

opportunities in the health and welfare sector in the strategic period.									
Output Statement	Output Indicator No		Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
The HWSETA supports partnerships <sup>28</sup> 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	Number of partnerships entered into by the HWSETA with post-school education institutions, professional councils, employer bodies, and communities of practice in the reporting period	a) Partnerships with CET colleges	40 148%	46 230%	5	0	-5	Efforts to engage and invite CET colleges to participate in projects were not realised. The HWSETA put out multiple projects through which the CET colleges were invited to apply but these were unsuccessful. The two projects that were open for participation by CET colleges was the adult education and training as well as the lecturer development programmes.
			b) Partnerships with universities	0**	0**	10	23 230%	13	University partnerships were for multiple types of projects. The HWSETA funded universities for both bursaries as well as for the work integrated learning programmes. This resulted in the HWSETA being able to reach a wider scope of institutions.
			c) Partnerships with TVET and other public colleges	0**	0**	5	100%	0	No deviation.

 $<sup>28 \</sup>quad \text{Partnerships are entered into through Memorandums of Agreement and/or Memorandums of Understanding}$ 

**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand.

Outcome Statement No 2: 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.

opportunities in ti	io mounti								
Output Statement	Output Indicator No	Outtain Indiana	Output marcator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
Percentage of discretionary grant budget allocated for the development of high-level, intermediate-level, and elementary skills in the reporting period	33	Percentage of discretionary grant budget allocated for the development of high-level, intermediate and elementary skills in the reporting period	a) High-level skills	()**	0**	10%	5% 50%	-5%	Education institutions are still seeking accreditation for programmes at postgraduate level in a attempt to align themselves with the new education regulations for professionalisation and meet the growing need for specialised skills in the sector. This affects the level of intake of students into professional degrees, post- graduate diplomas, and post-graduate research degrees and thus discretionary grant allocation.
			b) Intermediate skills	0**	0**	30%	200%	30%	The education landscape is migrating from NOF level 4 qualifications to level 5. There is therefore a high need in the sector for higher education and occupational qualifications that are at NOF level 5 as these qualifications are now aligned with the revised education landscapes of professional bodies in the sector. This has resulted in a high entry of students towards NOF level 5-7 qualifications and thus discretionary grant allocation.

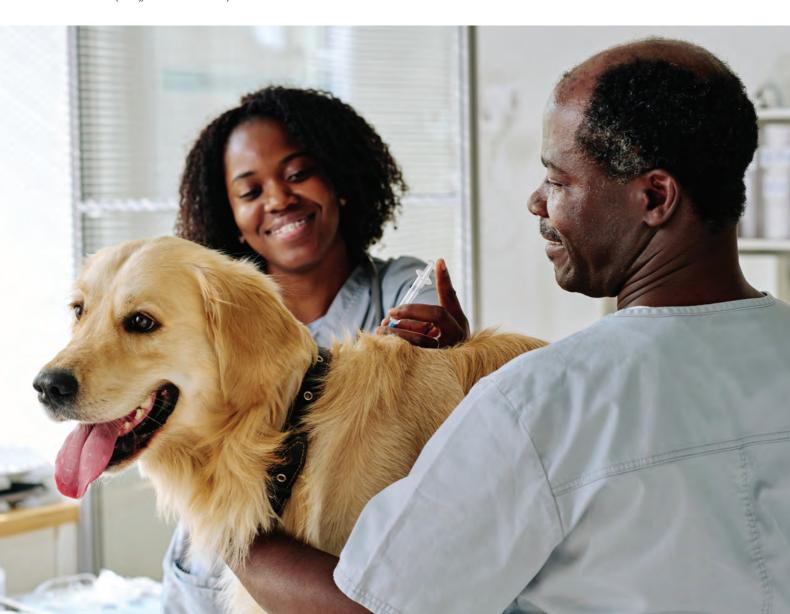
**Impact Statement No. 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand.

Outcome Statement No 2: 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.

opportunities in t	pportunities in the health and wehare sector in the strategic period.										
Output Statement	Output Indicator No	Output Indicator	Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)			
		c) Elementary skills	0**	0**	20%	5% 25%	-15%	The education landscape, particularly occupational qualifications is migrating from NOF level 4 qualifications to level 5. This has affected the low intake for qualifications at NOF 1 to 4 in the sector and has resulted into low discretionary grant allocation.			

<sup>\*\*</sup>New (sub)/indicator 2023/24



**Impact Statement No. 1:** The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030.

**Outcome Statement No 3:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialisation that offer quality vocational and occupational education for the sector

centers of speciali	centers of specialisation that offer quality vocational and occupational education for the sector										
Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)		
The HWSETA accredits skills development providers, registers assessors and moderators and issue certificates for learners found competent in the reporting period	19(1)	Number of skills providers accred reaccredited by t the reporting per	ited <sup>29</sup> and he HWSETA in	73	77	60	77	17	In the last quarter of the financial year, the HWSETA collaborated with the OCTO to accredit SDPs, resulting in an over. achievement of the target.		
		certificates issued by the HWSETA to learners found competent,	a) Qualification certificates	5 224	6 940	1 325	2 243	918	The enrolment of learners for the HWSETA legacy programmes closes on 30		
			b) Statements results	0**	0**	1 175	3 355	2 180	closes on 30 June 2024. SDPs are teaching out and exiting all the enrolled learners before the termination of all legacy programmes on 30 June 2029. SDPs are rushing to meet the deadlines.		

<sup>\*\*</sup>New (sub)/indicator 2023/24

The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030.

<sup>29</sup> The accreditation and re-accreditation include both, primary and secondary accreditation by the HWSETA. These skills development training providers are accredited by the HWSETA.

**Impact Statement No. 1:** The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030.

**Outcome Statement No 3:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialisation that offer quality vocational and occupational education for the sector.

conters of speciali	sation t	ilat oliel quality vi	ocational and occi	ipational et	lucation for	the sector.			
Output Statement	Output Indicator No	Output Indicator		Audited Actual Achievement 2021/22	Audited Actual Achievement 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root causes)
The HWSETA develops full and part occupational qualifications relevant to occupations in the sector in the reporting period.	24	Number of part and full occupational qualifications, as well as skills programmes developed by the HWSETA and accepted by the QCTO for registration in the reporting period	a) Full and part time qualification	1100%	1100%	1	1100%	0	The HWSETA has completed and submitted a full qualification to QCTO for evaluation and submission to SAQA for registration. The qualification is:  Occupational Certificate: Auxiliary Child and Youth Care Worker
			b) Skills programme	1100%	1 100%	2	3 150%	1	Three skills programmes were submitted to QCTO for evaluation and the programmes are:  Basic First Aid for Employees First Aid for Intermediate First Aid Advanced First Aid

**Impact Statement No. 2:** The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030.

**Outcome Statement No 5:** 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 Achievement 2021/22	Audited Actual Achievement 2022/23	ed Annual Target 24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement	Reason for Deviation (Root cause)
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	25(1)	Number of workers entered into the HWSETA recognition of prior learning programme in the reporting period.	349 99%	281 94% Portiginal	00 2023/24	%58 Sctual A Actual A 2023/24	Devized to the property of the	The target was not achieved due to delayed implementation of the programme. However, the 85% implementation rate targeted strategically to resolve the overcommitted state has been achieved.
months of completion.	25(2)	Number of workers reported at the HWSETA as having completed recognition of prior learning programme funded by the HWSETA in the reporting period	0	264	240	0	240	Due to late registration of learners into the programme, the number of learners who completed the programme will not be reported in this financial year.

### Strategy to overcome areas of under-achievement

Programme 2: Universities will be requested by the end of the year to identify 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 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. All completions will be collected and reported timeously. The pipeline approach will be used for bursary students to ensure that students are funded for the duration of the entire qualification as training spans multiple years.

Programme 4: Learners will be entered into the RPL programme earlier in the financial year 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.

## **HWSETA funds**

## the health care quality improvement programme



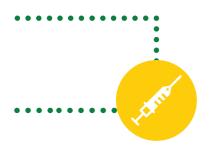
In a world where the healthcare landscape is fast changing and evolving, the need for a healthcare system that prioritises patient safety and delivers the best results is now more important than ever before. Which is why the HWSETA funded the launch of the health care quality improvement programme, entitled "High Reliability Healthcare: Fundamentals of Healthcare Quality and Patient Safety". The launch took place at Charlotte Maxeke hospital in Parktown, Johannesburg on 25 August 2023. The purpose of the programme is to ensure that the South African health care system is both resilient and dependable.

Present at the launch were the CEO of the HWSETA Ms Elaine Brass, the Deputy Minister of Health Dr Sibongiseni Dlhomo, the MEC for Health Gauteng, Miss Nomantu Nkomo-Ralehoko and Professor Rubin Pillay from the University of Alabama in the United States of America. The programme was funded by the HWSETA for 300 participants from various provincial departments of health as well as the Office of Health Standards Compliance (OHSC). They included clinical managers, non-clinical staff and those that set quality standards in the health care system.

Ms Brass said: "As we launch our programme, I feel a profound sense of responsibility and anticipation. We are at a crucial juncture, aligning ourselves with the aspirations of our national quality improvement plan, and I am privileged to embark on this transformative journey with you towards achieving high reliability in health care. South Africa's national quality improvement plan has set forth a vision – a vision in which quality health care is accessible to all its citizens. It's a vision that underscores the importance of health care quality and patient safety. As we strive to realise this vision, understanding the fundamentals of high reliability becomes not just important, but essential."

She added: "In essence, when we look at the future of health care in South Africa, it is important that the words that come to mind are 'trustworthiness' and 'competence'. Through this programme, the HWSETA is proud and confident that we are striving for a health care system that will deliver the best results and ensure patient care."





## GOVERNANCE

### Structure

### **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.

The Board meets every quarter, or as required, to enable it to assert its governance responsibility as the Accounting Authority.

### 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 acts 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 of South Africa. All meetings are formally noted, with an agenda and supporting meeting packs. Meeting protocol is formal, and all minutes and documents are formally tabled, considered, addressed, filed and stored.

### Meeting attendance fees for Board members

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

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

### Board changes during the year under review:

The 6th Board was appointed on 1 April 2020 for a 5 year period up to 31 March 2025.

### Board members in place during the year under review:

Board member	Representing	Appointment date					
Dr Nomsa Mnisi	Independent Chairperson	1 April 2020					
Emp Employer Representatives loyer Representatives							
Mr Rudie van Loggerenberg	Department of Social Development	1 April 2020					
Dr Nonhlanhla Makhanya	Department of Health	31 March 2023					
Dr Nceba Ndzwayiba	Hospital Association of South Africa	1 April 2020					
Dr Katlego Mothudi	Board of HealthCare Funders	1 April 2020					
Dr Sipho Kabane	SA medical schemes	4 June 2021					
Dr Lillian Marutle	Organised employers	1 April 2020					
Labour representatives							
Mr Khaya Sodidi	DENOSA	12 December 2022					
Awaiting appointment	HOSPERSA						
Mr Sidney Kgara	NEHAWU	1 April 2020					
Ms Nobukhosi Xulu	NEHAWU	1 April 2020					
Ms Lungile Duma	NPSWU	1 April 2020					
Mr Justice Shiburi	PSA	29 January 2024					
Non profit organisations / Mental he	alth						
Ms Lalita Harie		1 April 2020					
<b>People with Disabilities</b>							
Ms Bongiwe Malope		1 April 2020					

### Board terminations during the year under review:

Board member	Representing	Appointed	Termination
Ms Tselane Mbotshane	HOSPERSA	1 April 2020	31 December 2023
			- retirement

### HWSETA ACCOUNTING AUTHORITY MEMBERS MEETING ATTENDANCE 1 APRIL 2023 TO 31 MARCH 2024

	Total meetings	N Mnisi	K Mothudi	N Ndzwayiba	R van Loggerenberg	L Marutle	S Kgara	N Xulu	T Mbotshane	L Duma	L Harie	B Malope	S Kabane	K Sodidi	N Makhanya	G Higgins	I Mathatho	W Carrim	Y Pamla
Quarterly Board meetings	5	5	3	4	3	4	3	5	3	5	5	5	5	5	2				
Other Board meetings	14	14	9	4	6	10	10	11	6	14	7	14	10	14	7	3	3	4	3
EXCO and Special Exco Meetings	12	12	9	3		11		5	6	12			2			1			
SD/RIME Standing Committee	4		1	3	3			4	2	2	4	4							
ETQA Standing Committee	4			2	3	3		4	3		4	4		2					
Corporate Services Standing Committee	4			1		4			3	4	4	4	3						
Finance and Remuneration Standing Committee	7		5			6							7	6					6
Audit and Risk Committee	4		2				4									4	4	3	
Aucom and Finance Committee	5		5			5	3						5	4		5	4	5	5

### **BOARD MEMBERS REMUNERATION**

### **Members remuneration**

2024		Allowances	Travel and Subsisten	ce Allowance	
Names	Designation	Meeting Attendance and Preparation	Reimbursement	Cellphone	Total
1 WIIIOS	2 0318111111	R'000	R'000	R'000	R'000
Dr NV Mnisi	Chairperson	293	55	13	361
Dr N Ndzwayiba	Board member	82	-	-	82
Mr SR Kgara	Board member	145	-	-	145
Dr JK Mothudi	Board member	177	2	7	186
Ms N Xulu	Board member	163	5	-	168
Ms TA Mbotshane	Board member	123	-	5	128
Dr LD Marutle	Board member	226	-	7	233
Ms BP Malope	Board member	168	23	-	191
Ms L Harie	Board member	198	8	-	206
Ms LP Duma	Board member	236	4	7	247
Dr S Kabane	Board member	191	3	_	194
Mr KS Sodidi	Board member	179	11	-	190
		2 181	111	39	2 331

## The HWSETA Board



Dr Nomsa Mnisi **Board Chairperson** 

### Representing Employer



Dr Nonhlanhla Makhanya Board member



Mr Rudie van Loggerenberg Board member



Dr Katlego Mothudi Board member



Dr Nceba Ndzwayiba Board member



Dr Lillian Marutle Board member



Dr Sipho Kebane Board member

### Representing Labour



Ms Lungile Duma



Mr Justice Shiburi



Mr Khaya Sodidi Board member



Mr Sidney Kgara Board member



Ms Nobukhosi Xulu

### Other role players within the Health and Social Development Sectors



Ms Lalita Harie Board member



Ms Bongiwe Malope Board member

## The HWSETA Board

Empowering Success, Building Futures.



HWSETA BOARD COMPRISING 15 MEMBERS



As 1 independent member, who is a Ministerial appointee: The Chairperson of the Board



**6 members** representing organised labour



6 members representing organised employers, of which two are representatives

of government constituencies



1 member representing non profit organisations and mental health



1 member representing people with disabilities



## **Executive Committee** of the Board

The Board is assisted by its Executive Committee, which is comprised of 5 members from the Board. The Executive Committee meets every two months or as required to assert strategic oversight over the HWSETA's affairs.



### **Standing Committees**

The Board has 5 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 assist 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. This committee is also 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 come 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.

## AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE (AUCOM) REPORT FOR THE YEAR ENDED 31 MARCH 2024

### 1. Legislative requirements

The Audit, Risk, Governance and Ethics Committee (Aucom) herewith presents its report for the financial year ended 31 March 2024, 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 members 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 2024, the Aucom met on eight occasions.

The table below shows the attendance of these meetings including a workshop and special meetings:

			AU(	COM	AUCOM AN	D FINANCE
			MEET	MEETINGS SC		ETINGS
			Meetings Meetings		Meetings	Meetings
			held	attended	held	attended
Name	Tenure	Qualifications	2023/24	2023/24	2023/24	2023/24
Mr G Higgins	1 Sept 2018 to	CA(SA)	4	4	5	5
Aucom	31 January 2021					
Chairperson	10 March 2021 to					
	31 July 2023					
	1 August 2023 to					
	31 July 2025					
Mr W Carrim	10 March 2021 to	Com (Hons)	4	3	5	5
Aucom member	31 July 2023	Accounting Science				
	1 August 2023 to	SAICA				
	31 July 2025	MCom taxation				
		MBA				
		CA				
Ms I Mathatho	10 March 2021 to	MBA BCom Hons	4	4	5	4
Aucom member	31 July 2023					
	1 August 2023 to					
	31 July 2025					
Dr K Mothudi	1 April 2020 to	Board member	4	2	5	5
Board/Aucom member	31 March 2025					
Mr S Kgara	1 February 2019 to	Board member	4	4	5	3
Board/Aucom member	31 March 2025					

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 was also in attendance at the Board meetings 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.

Management implemented "Project Fix" in the current year to address the issues identified by the AGSA in the prior years in order to remedy the internal controls. The efforts resulted in correcting the misstatements from the prior years as noted in the prior year error note in the AFS. This further resulted in improvements in the internal controls.

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, in implementing the new ERP system, not all ICT risks are being addressed or mitigated. This continues to place the HWSETA in a position where manual intervention is required to provide credible information which contributes to the finding raised by the AGSA with respect to the material adjustments to the AFS.

### 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 2024.

### 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

Although there are certain improvements from a financial management control perspective which the finance function needs to implement, 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. In terms of the performance of the HWSETA, the Aucom has performed the following functions:

- Reviewed and commented on compliance with statutory requirements and performance management best practices and standards;
- Reviewed and commented on the alignment of the annual performance plan, budget, strategic plan, and performance agreements;
- Reviewed and commented on the relevance of indicators to ensure that they are measurable and relate to services performed by the HWSETA;

- Reviewed reported noncompliance with legislation;
- Reviewed compliance with in-year reporting requirements;
- Reviewed the quarterly performance reports submitted by the internal audit function; and
- Reviewed and commented on the HWSETA's performance management system and making recommendations for its improvement.

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 notes the areas of non-achievement of targets and has emphasised to management the importance of achieving the HWSETA's critical mandate.

### 10. Evaluation of the Annual Financial Statements

The Aucom has reviewed the Annual Financial Statements, focusing 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; and
- The basis for the going concern assumption, including any financial sustainability risks and issues.

The Aucom notes the issues raised by the AGSA with regards to material misstatements made to the AFS submitted for auditing purposes. However, the improvement of the audit outcome is noted. The Aucom will review management's audit rectification action plan to respond to matters and findings arising from the audit process and will exercise oversight on the implementation of the plan during the next financial year.

### 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 audit outcome.

The Aucom concurs with the findings on the reported performance information, financial statement as well as procurement and contract management. The Aucom would like to congratulate management and other relevant stakeholders on the improvement in the audit outcome.

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 2024

### **Executive Authority DHET**

The HWSETA reports to the DHET on the following basis:

- Quarterly reporting of 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, 15 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 in respect of 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 the 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 from them.

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, 1999 (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 of 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 of South Africa.

The following audits were conducted and completed by the internal auditors for the 2023/24 financial year:

- Human capital
- Operating system, database and configuration review
- IT security
- IT general controls review
- Review of 2024/25 Strategic Plan Update and Annual Performance Plan
- Learning programmes
- Research and skills planning
- Audit of programme performance information (Provincial Q1/Q2)
- Supply chain management
- Finance review
- Audit of predetermined objectives (Q3&Q4)
- Audit of predetermined objectives (Q3&Q4)
- Compliance Audit, Review of compliance to GRAP, project Fix audits

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 objectives are 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.
- i. Review of Social and Ethics reporting

### 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 of this shift is 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 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 regularly carried out to determine the effectiveness of its risk management strategy and to identify new and emerging risks.

### Fraud and corruption

The HWSETA has implemented a fraud prevention plan. As one mechanism for reporting fraud, 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

All open tip-offs are lodged against the SDPs/employers, except three that involve HWSETA in relation to funded projects, as well as allegations of fraud/corruption involving HWSETA employees and one where the SDP requires HWSETA's approval for its ETDPSETA accreditation.

Of the 37 open items, HWSETA conceded liability on 18 matters, 10 completely not liable and 9 to be determined after investigation.

HWSETA conducts a thorough investigation before establishing its liability and making determination on the matters.

### 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. This is coordinated 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**

To provide 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, all employees and Board members are required to attend and participate in ethics awareness training. The primary purpose of the Ethics Guideline 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 of it.

### 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 its overall employee value proposition, considering the following: Remuneration at the HWSETA is on a CTC basis 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, 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 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 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. 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 have been formally and rigorously identified, documented and mitigated.

- 6. The adequacy of resources to properly perform the responsibilities allocated are being considered.
- 7. The HWSETA has an anonymous and effective hotline.
- 8. The HWSETA maintains and builds awareness through 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 appropriate external and independent assurance.

The Social and Ethics Committee has assumed the responsibility of ensuring 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 R500 000 in the period under review in various initiatives, such as the revamp of the nurseries at a home for children with disabilities and as well as the donation of dignity packs to survivors of gender based violence.

### **B-BBEE Compliance Performance**

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8)							
with regards to the following:							
Criteria	Response	Discussion					
	Yes / No						
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic	Not applicable						
activity in terms of any law?							
Developing and implementing a preferential procurement policy?	Yes	The HWSETA Supply Chain Management Policy is aligned to the 2022 Preferential Procurement Regulation. The HWSETA Specific Goals target enterprises owned by the following groups: (i) Black* women; (ii) Youth; (iii) People living with disabilities; (iv) Black* people; and (v) Qualifying small business enterprises (QSEs)/Exempted micro enterprises (EMEs s).  *Black includes African, Coloured and Indian.					
Determining qualification criteria for the sale of state-owned enterprises?	Not applicable						
Developing criteria for entering into partnerships with the private sector?	Not applicable						
Determining criteria for the awarding of incentives, grants and investment schemes in support of broad based black economic empowerment?	Not applicable						

## **HWSETA** launches

## women disability programme IN KZN





"The HWSETA has chosen women's month for this launch, a month in which we celebrate women and their contribution to society in so many different ways," said Ms Elaine Brass, the CEO of HWSETA. It is no doubt that women play a fundamental role in our society and the more that they are empowered, the more society is empowered. Which is why the HWSETA launched its women's disability programme in Margate, Kwazulu/Natal on 18 August 2023.

The programme was launched to train 90 disabled females in early childhood development through a 12- month programme. The qualification will allow the learners to teach children from the ages of birth to five years old in the early childhood development sector (creches). Fifty disabled males and females will also be trained in a 12-month sewing course by Future Discovery, accredited by the FPMA SETA. The project is taking place in KwaZulu/Natal, Northern Cape, Eastern Cape and Mpumalanga. A total of six different employers are hosting the trainees.



Ms Brass commented: "The HWSETA set off in 2022/23 with a target to support 65% women across all our programmes, and 5% persons with a disability. We ended the year supporting 75% women and 6% persons with a disability. This was our promise for the last year, and we have succeeded. But we do not want to stop there. This year we have specifically formulated programmes to support persons with a disability to ensure that they have an opportunity and access to further education."

The learners that will be trained are living with various disabilities and it is important to remember that disability is just diversity and persons with disabilities should participate fully and equally within society and face no barriers. The HWSETA will continue to support such endeavours and ensuring that persons with disabilities are empowered in our society.





# **HUMAN**Resources Management

INTRODUCTION

### Recruitment and selection

HWSETA human resources (HR) is responsible for attracting, recruiting, and selecting qualified individuals to fill vacant positions. This involves advertising job vacancies, conducting interviews, and making hiring decisions based on merit and equal opportunity principles. The HWSETA attracts skill and talent through its remuneration offering of market-related remuneration at the median level of the Paterson scale. The HWSETA offers employees other benefits such as a medical aid allowance, special leave for illness and study, advances for educational purposes, and payment of all risk benefits.

### Performance management

HR oversees performance management processes at the HWSETA. This includes setting of policy, guiding the setting of performance standards, coordinating performance appraisal process, including feedback to staff, and identifying development needs for employees. Employees are rewarded for good performance and there is an additional incentive for good performance of the organisation.

### Training and development

HR is responsible for identifying training needs through the performance management process, assisting in organising training interventions, and facilitating the development of employees' skills and competencies. This includes collating assessment of training needs, coordinating workshops and promoting continuous learning in the organisation. This includes providing bursaries, based on set criteria and budget, to employees.

### **Employee relations**

HR manages employee relations matters, which involves establishing and maintaining positive relationships between management and employees. This includes handling grievances, conflicts and disciplinary matters in a fair and consistent manner.

### Compensation and benefits

HR ensures that employees in the public entity receive fair and competitive compensation by managing salary structures, administering benefits packages and ensuring compliance with relevant labour laws and regulations.

### Policies and procedures

HR is responsible for developing and implementing HR policies and procedures to guide employees and ensure consistency in the workplace. Policies cover leave, attendance, code of conduct and other employment-related matters. Policies are also considered to ensure best practice and compliance with the law.

### Compliance and legal requirements

HR ensures compliance with labour laws, regulations, and government policies. Practices are updated as changes in labour legislation are made to ensure they align with legal requirements.

### Health and safety

HR plays a crucial role in managing health and safety policies and practices in the HWSETA. This includes conducting risk assessments, implementing safety protocols and ensuring a safe working environment for employees.

### HR administration

HR manages various administrative tasks such as maintaining employee records, managing leave balances, and providing HR-related information and reports to management and relevant stakeholders.

### Strategic planning

HR contributes to the strategic planning process in the HWSETA by aligning HR goals and initiatives with the organisation's objectives. HR sets priorities for the year and considers the impact of these.

### Employee wellness programme

The HWSETA provide an extensive employee wellness program through a contracted service provider. Support is given to employees and direct family member in terms of mental wellness, financial coaching, as well as other services. In addition HR ensures that employees are informed of the offerings through monthly newsletters and other communications.

### Conclusion

In the past year the HWSWETA has filled 95% of its approved positions, and has processes and plans in place to ensure 100% positions are attained. The HWSETA embarked on a review of all job profiles, and a grading and salary scale review will follow. The organogram has been reviewed in line with capacity, service delivery and future requirements of the organisation. The proposed amendments will be presented to the Board in 2024/25.

The HWSETA HR plays a vital role in managing the organisation's human capital, ensuring compliance with labour laws, and fostering a positive and productive work environment.

Challenges faced by the HWSETA in the last year relate mainly to resignations for better opportunities. Some staff have resigned or were dismissed over the discovery of fraud within the SMME funding portfolio. The building of an ethical culture in the organisation remains key to ensure sustainability. Service delivery matters have been a priority. Further improvements will be carried out in the next financial year.

### **Employment and vacancies**

Programme/activity/objective	2023/24 No. of employees	2023/24 Approved posts	2023/24 Vacancies	% of vacancies
Top management	1	1	0	0%
Senior management	6	6	0	0%
Professional qualified	23	24	1	4%
Skilled	104	114	10	9%
Semi-skilled	7	7	0	0%
Unskilled	0	0	0	0%
TOTAL	141	152	11	3%

### **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	23	2	2	23
Skilled	113	8	17	104
Semi-skilled	5	2	0	7
Unskilled	0	0	0	0
TOTAL	148	12	19	141

### Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	5%
Resignation	17	90%
Dismissal	1	5%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	19	100%

### Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	6
Final written warning	3
Dismissal	1
TOTAL	11

### Equity target and employment equity status

	MALE								
	AFRI	AFRICAN		COLOURED		IAN	WHITE		
LEVELS	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	1	2	1	0	
Skilled	25	39	2	1	1	0	2	1	
Semi-skilled	1	1	0	2	0	3	0	1	
Unskilled	0	0	0	0	0	0	0	0	
TOTAL	33	42	3	5	4	5	3	2	

	FEMALE									
	AFRI	CAN	COLO	URED	INDIAN		WH	ITE		
LEVELS	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	10	3	1	0	2	0	0	0		
Skilled	62	34	13	2	5	3	1	3		
Semi-skilled	5	0	1	0	0	2	0	0		
Unskilled	0	0	0	0	0	0	0	0		
TOTAL	80	37	15	2	7	5	2	5		

	DISABLED STAFF				
	MA	LE	FEM	IALE	
LEVELS	Current	Target	Current	Target	
Top management	0	0	0	0	
Senior management	0	0	0	0	
Professional qualified	0	1	0	0	
Skilled	1	0	2	1	
Semi-skilled	0	2	0	2	
Unskilled	0	0	0	0	
TOTAL	1	3	2	3	

### Personnel cost by programme/activity/objective

Programme/ activity/ objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
Admin	141 712	81 596	58%	80	1 020
SDP*	34 868	34 198	93%	46	743
ETQA	18 799	12 377	66%	15	825

### 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	2 583	2.02%	1	2 583
Senior management	12 479	9.74%	6	2 080
Professional qualified	23 201	18.02%	23	1 009
Skilled	87 786	68.49%	104	844
Semi-skilled	2 122	1.66%	7	303
Unskilled	0	0	0	0
TOTAL	128 171		141	909

<sup>\*</sup> Employee numbers includes terminations and appointments.

### Performance rewards

Programme//activity/objective	Performance rewards	Personnel expenditure (R'000)	% of performance re- wards to total personnel cost (R'000)
Top management	16 <mark>4</mark>	2 583	6.35%
Senior management	1 009	12 479	8.09%
Professional qualified	2 223	23 201	9.58%
Skilled	5 562	87 786	6.34
Semi-skilled	165	2 122	7.78%
Unskilled	0	0	0,00%
TOTAL	9 123	128 171	7.12%

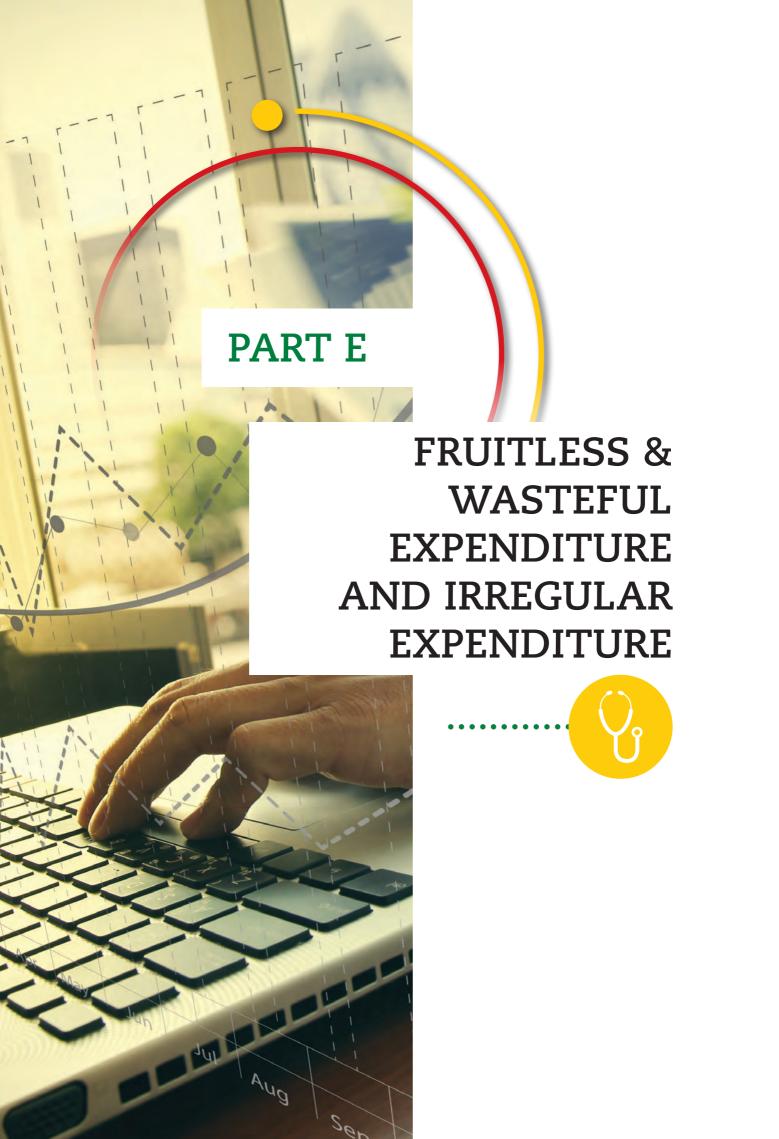
<sup>\*</sup> Performance bonus rewards disclosed in note 21 of the annual financial statements include the bonus provision. Refer to note 12.

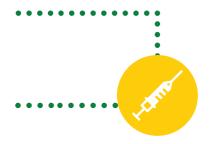
### **Training costs**

Programme/	Personnel expenditure	Training expenditure	Training expenditure as a % of personnel	No. of employees	Average training cost per employee
activity/objective	(R'000)	(R'000)	cost	trained	(R'000)
Administration	81 596	346	0.42%	101	3.42
Finance; CS;					
RIME& OCEO					
SDP*	34 198	33	0.01%	4	8.25
ETQA	12 377	22	0.18%	5	4.4
TOTAL	128 171	401	0.31%	110	3.65

<sup>\*</sup>These figures provided for skills development planning include personnel costs for the provincial offices.







## **FRUITLESS**

## & Wasteful Expenditure

### FRUITLESS & WASTEFUL EXPENDITURE AND IRREGULAR EXPENDITURE

Non-compliance with legislation resulted in fruitless and wasteful expenditure of R1 722 000 as disclosed in note 26 in the Audited Annual Financial Statements. The fruitless and wasteful expenditure incurred constitutes non-compliance with Section 51(1)(b)(ii) of the PFMA.

Reconciliation of fuitless and wasteful expenditure	2023/24	2022/23
Description	R'000	R'000
Opening balance	1 380	210
Add: Incurred during the year	1 722	1 172
Less: Recovered	272	3
Less: Written off	208	-
Closing balance	2 622	1 380
The opening balance of R1 380 000 is made up of the following amounts:		
	R'000	
Stipend not paid to learners	900	
Accommodation paid for absent learners	272	
Salary and allowances paid to employee after resignation	21	
Interest and penalties on late payment of statutory payments	167	
Interest on late payment of invoices	20	
	1 380	
	2022/24	2022/22
Reconciling annual financial statement disclosure	2023/24	2022/23
Description  Expitted and westeful expenditure for the gurrent year	R'000	R'000
Fruitless and wasteful expenditure for the current year	1 722	1 172
Total	1 722	1 172
Current year fruitless and wasteful expenditure is made up of:	R'000	
- Salary of employee deposited into a fraudulent bank account	98	
- Learner's stipend paid to provider and not subsequently transferred to learners	1 624	
Zournor o suporta para to provider and not bussequently transferred to rounners	1 722	
Details of current year and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)	2023/24	2022/23
Description	R'000	R'000
Fruitless and wasteful expenditure investigated and closed	1 722	-
Fruitless and wasteful expenditure investigated and closed	-	1 172
Total	1 722	1 172
Details of current year and previous year fruitless and wasteful expenditure	2023/24	2022/23
recovered	7	7
Description	R'000	R'000
Accommodation paid for absent learners	272	-
Salary paid to employee after resignation	-	3
Total	272	3

### FRUITLESS AND WASTEFUL EXPENDITURE (continued)

An employer was paid funds for learners accommodation in terms of the Memorandum of Agreement (MoA) with the HWSETA.

During project site visits and monitoring and evaluation it was discovered that the HWSETA had paid for non-existent learners.

The employer was written to, and admitted to wrong doing. The employer was warned. The employer's eligibility of future funding has been reviewed. As the project was a continuing project, it was closely monitored by the HWSETA Provincial and Head Offices following the employer's transgressions.



### IRREGULAR EXPENDITURE

Non-compliance with legislation resulted in irregular expenditure of R2 895 000 as disclosed in note 26 in the Audited Annual Financial Statements. The irregular expenditure incurred constitute non-compliance with Section 51(1)(b)(ii) of the PFMA.

Reconciliation of irregular expenditure	2023/24	2022/23
Description	R'000	R'000
Opening balance	3 301	1 233
Add: irregular expenditure confirmed	2 895	4 004
Less: irregular expenditure not condoned but removed	3 301	1 936
Closing balance	2 895	3 301
The opening balance of R3.301 million is made up of the following amounts:		
	R'000	
2022/23 irregular expenditure due to non-compliance with SCM processes	3 301	
	3 301	
Reconciling annual financial statement disclosure	2023/24	2022/23
Description	R'000	R'000
Irregular expenditure for the current year	2 895	4 004
Total	2 895	4 004
Current year irregular expenditure is made up of:	R'000	R'000
Variation of purchase orders by more than 15% without prior approval	694	3 301
MoA signed with and payment made to an entity not registered with CIPC	160	-
Payments made to various stakeholders outside the provisions of the MoAs and not		
CIPC or DSD registered.	2 041	-
Irregular appointment of Accounting Authority members	-	703
	2 895	4 004
Details of current year and previous year irregular expenditure (under assessment, determination and investigation)	2023/24	2022/23
Description	R'000	R'000
Irregular expenditure investigated and closed	-	703
Irregular expenditure investigated and closed	3 301	3 301
Irregular expenditure investigated and closed	160	2 850
Total	3 461	6 854

### IRREGULAR EXPENDITURE (continued)

During the 2022/23 financial year the HWSETA was found to have transacted with five (5) entities which were either deregistered or in the process of deregistration by the CIPC. A total amount of R2,8 million was flagged as potential irregular expenditure pending investigation by the HWSETA Legal Officer. The investigation was concluded during the 2023/24 financial year the outcome of which was that only one entity was indeed deregistered at the time that the MoA was signed. The other four (4) entities' registration status was confirmed with two being NPOs registered with the DSD, one registered under a different name and the other acquired by another company. Therefore, only R160 000 out of R2,8 million qualifies as irregular expenditure.

Details of current year and previous year irregular expenditure removed (not	2023/24	2022/23
condoned)		
Description	R'000	R'000
Non-compliance with supply chain processes	3 301	-
Irregular appointment of Accounting Authority members	-	1 936
Total	3 301	1 936

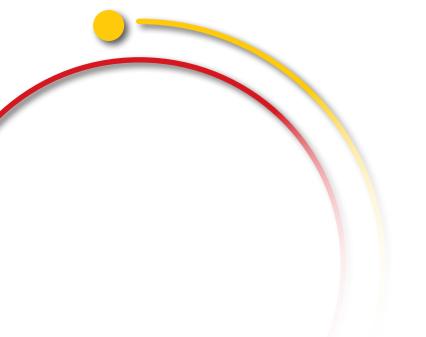
During the 2022/23 financial year the HWSETA identified transactions that totalled R240 000 as irregular due to procurement for said expenditure being undertaken in terms of the 2017 Procurement Regulations instead of the new 2022 Procurement Regulations which became effective on 16 January 2023. The Auditor General also identified additional irregular expenditure amounting to R3,1million incurred as a resulf of various instances of non compliance with supply chain management processes.

Condonation for all the irregular expenditure was sought from the National Treasury however it was declined. Management then sought approval from the Accounting Authority to remove the irregular expenditure from the financial statements. The Accounting Authority approved the removal of the irregular expenditure after it was satisfied that the provisions of clauses 57 and 58 of the PFMA Compliance and Reporting Framework had been met my management.

The amount removed is made up of:

Post 16 January 2023 Preferential Procurement Regulation 2017 transactions	
Procurement from non-tax compliant service providers	
Various SCM non-compliance matters	

3 301
1 314
1 747
240
R'000









Report of the auditor-general to Parliament on the Health 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 148 to 207, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and 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 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

### Basis for opinion

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

### **Emphasis of matter**

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

### Restatement of corresponding figures

7. As disclosed in note 36 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity as, and for the year ended, 31 March 2024.

### Responsibilities of the accounting authority for the financial statements

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

### Responsibilities of the auditor-general for the audit of the financial statements

- 10. 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.
- 11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 144, forms part of my auditor's report.

### Report on the audit of the annual performance report

- 12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
- 13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 - Skills planning and	58;	The HWSETA utilises this programme to implement skills
impact assessment	71 to 74	planning related projects that include development and update
		of the sector skills plan, research leading to a better programme
		to implement skills 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.
Programme 3 - Skills development	59 to 66;	The purpose of this programme is to provide skills for learners in
programmes and projects	75 to 105	the workplace in scarce and critical areas within the health and
		welfare sectors.

- 14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
- 15. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

### Other matter

### Achievement of planned targets

- 18. The annual performance report includes information on reported achievements against planned targets and provides explanations for over or underachievement.
- 19. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets taken to improve performance are included in the annual performance report on pages 59-66 and 75-105.

### Programme 03: Skills development programmes and projects

Targets achieved: 28% Budget spent: 68%

Dauget spent. 00%		Reported
Key indicator not achieved	Planned target	achievement
Number of workers whose learner agreements are registered with the HWSETA for	1 062	652
learnerships as industry funded or HWSETA funded in the reporting period		
Number of workers reported to the HWSETA as having completed learnership	735	218
programmes registered with the HWSETA as industry or HWSETA funded in the		
reporting period		
Number of employed apprentices and trainee technicians entered into the HWSETA	44	37
funded apprenticeship programme in the reporting period		
Number of employed apprentices and trainee technicians reported to the HWSETA	25	0
as having completed apprenticeships funded by the HWSETA in the reporting period		
Number of workers entered-into the HWSETA undergraduate qualifications and	380	199
postgraduate diploma bursaries in the reporting period:		
Bursaries for undergraduate qualifications		
Number of workers entered-into the HWSETA undergraduate qualifications and	205	58
postgraduate diploma bursaries in the reporting period:		
Bursaries for postgraduate diplomas		
Number of workers re-entered-into the HWSETA undergraduate qualifications and	10	0
post-graduate diploma bursaries in the reporting period:		
b) Bursaries for postgraduate-diplomas		
Number of workers reported to the HWSETA for having completed undergraduate	30	11
qualifications and postgraduate diploma qualifications funded by the HWSETA in		
the reporting period:		
Bursaries for undergraduate qualifications		
Number of workers reported to the HWSETA for having completed undergraduate	10	0
qualifications and postgraduate diploma qualifications funded by the HWSETA in		
the reporting period:		
b) Bursaries for postgraduate diplomas		
Number of unemployed graduates entered-into the internship programme funded by	720	406
the HWSETA in the reporting period:	, = 0	100
a) University graduates		
Number of unemployed graduates entered-into the internship programme funded by	325	203
the HWSETA in the reporting period:	323	200
b) TVET and other public college graduates		
Number of unemployed graduates reported to the HWSETA as having completed the	610	25
internship programme funded by the HWSETA in the reporting period:	010	20
a) University graduates		
Number of unemployed graduates reported to the HWSETA as having completed the	260	0
	200	U
internship programme funded by the HWSETA in the reporting period:		
b) TVET and other public college graduates		

Budget spent: 68%		D 4 1
Key indicator not achieved	Planned target	Reported achievement
Number of workers entered- into credit and non-credit bearing skills programmes	6 420	939
funded by the HWSETA in the reporting period	0 420	939
Number of workers reported to the HWSETA as having completed credit and	5 350	485
non-credit bearing skills programmes funded by the HWSETA in the reporting	3 330	405
period		
Number of lecturers and Managers from TVET and other public colleges funded by	15	14
the HWSETA for skills programmes in the reporting period Lectures -	15	17
a) TVET and other college lectures		
Number of lecturers and Managers from TVET and other public colleges funded by	10	0
the HWSETA for skills programmes in the reporting period	10	
Lectures - (b) CET college lectures		
Number of lecturers and Managers from TVET and other public colleges funded by	15	8
the HWSETA for skills programmes in the reporting period Lectures	15	
c) Career guidance lecturers		
Number of lecturers and Managers from TVET and other public colleges funded by	10	0
the HWSETA for skills programmes in the reporting period Managers trained on	10	
curriculum related studies:		
e) CET colleges		
Number of lecturers and Managers from TVET and other public colleges reported to	14	10
the HWSETA as having completed training funded by the HWSETA in the reporting	14	10
period Lectures: a) TVET and other college lectures		
Number of lecturers and Managers from TVET and other public colleges reported to	8	6
the HWSETA as having completed training funded by the HWSETA in the reporting	0	0
period lectures:		
b) CET lecturers		
Number of lecturers and Managers from TVET and other public colleges reported to	15	6
the HWSETA as having completed training funded by the HWSETA in the reporting	15	0
period Lectures:		
c) Career guidance lecturers		
Number of lecturers and Managers from TVET and other public colleges reported to	8	0
the HWSETA as having completed training funded by the HWSETA in the reporting	0	
period Managers trained on curriculum related studies:		
d) TVET and other colleges		
Number of lecturers and Managers from TVET and other public colleges reported to	8	0
the HWSETA as having completed training funded by the HWSETA in the reporting	0	U
period Managers trained on curriculum related studies:		
e) CET colleges		
Number of students and lectures from TVET and other public colleges funded by the	662	463
HWSETA through vocational and occupational training bursaries in the reporting	002	403
period a) TVET and other public college students		
a) TVET and other public college students  Number of students and lectures from TVET and other public colleges funded by the	12	4
	12	4
HWSETA through vocational and occupational training bursaries in the reporting		
period  b) TVET and other public college lecturers		
b) TVET and other public college lecturers  Number of students and lecturers from TVET and other public colleges reported	374	42
Number of students and lecturers from TVET and other public colleges reported	3/4	42
to the HWSETA as having completed training funded by the HWSETA through		
vocational and occupational training bursaries in the reporting period		
a) TVET and other public college students		

Targets achieved: 28% Budget spent: 68%

Budget spent: 68%		Reported
Key indicator not achieved	Planned target	achievement
Number of students and lecturers from TVET and other public colleges reported to	6	0
the HWSETA as having completed training funded by the HWSETA through voca-		
tional and occupational training bursaries in the reporting period		
b) TVET and other public college lecturers		
Number of workers entered- into AET programmes funded by the HWSETA in the	165	90
reporting period		
Number of workers reported to the HWSETA as having completed AET programmes	130	30
funded by the HWSETA in the reporting period		
Number of unemployed persons entered-into the HWSETA undergraduate	340	274
qualifications and postgraduate diploma bursaries in the reporting period		
a) Bursaries for undergraduate qualifications		
Number of unemployed persons entered-into the HWSETA undergraduate	100	7
qualifications and postgraduate diploma bursaries in the reporting period		
b) Bursaries for postgraduate diplomas		
Number of unemployed persons re-entered-into the HWSETA undergraduate	50	0
qualifications and postgraduate diploma bursaries in the reporting period.		
b) Bursaries for postgraduate diplomas		
Number of unemployed persons reported to the HWSETA as having completed	150	70
undergraduate qualifications and post-graduate diploma qualifications funded by the		
HWSETA in the reporting period		
a) Bursaries for undergraduate qualifications		
Number of unemployed persons reported to the HWSETA as having completed	50	0
undergraduate qualifications and post-graduate diploma qualifications funded by the		
HWSETA in the reporting period		
b) Bursaries for postgraduate diplomas		
Number of TVET and other college students entered-into work integrated learning	1000	639
programmes funded by the HWSETA in the reporting period		
Number TVET and other college students reported to the HWSETA as having c	480	401
ompleted the work integrated learning programmes funded by the HWSETA in the		
reporting period		
Number university students reported to the HWSETA as having completed the work	160	144
integrated learning programmes funded by the HWSETA in the reporting period		
Number of unemployed persons whose learner agreements are registered with the	1 850	831
HWSETA for learnerships as industry funded or HWSETA funded in the reporting		
period		
Number of unemployed persons reported to the HWSETA as having completed	1 270	574
learnerships registered with the HWSETA as industry or HWSETA funded in the		
reporting period		
Number of unemployed persons reported to the HWSETA as having completed credit	1 498	674
and non-credit bearing skills programmes funded by the HWSETA in the reporting		
period		
Number of unemployed persons entered- into AET programmes funded by the	20	17
HWSETA in the reporting period		
a) Access of CET unemployed learners into AET programmes		
Number of unemployed persons entered- into AET programmes funded by the	300	193
HWSETA in the reporting period		
b) Other unemployed persons entering AET programmes		
Number of unemployed persons reported to the HWSETA for having completed AET	234	49
programmes funded by the HWSETA in the reporting period		• /
DI Ufner unembioved persons completing AET programmes		
b) Other unemployed persons completing AET programmes  Number of employers in the sector who open-up their workplaces for learning	400	108

Targets achieved: 28% Budget spent: 68%

Budget spent: 08%		
		Reported
Key indicator not achieved	Planned target	achievement
Number of small and emerging businesses from the health and welfare sector whose	120	76
skills needs are funded by the HWSETA per year		
Number of officials from Trade Unions funded by the HWSETA for skills develop-	75	41
ment per year		
Number of levy exempt organizations whose skills development needs are funded by	60	39
the HWSETA in the reporting period		
Number of partnerships entered-into by the HWSETA with post-school education	5	0
institutions, professional Councils, employer bodies, and communities of practice in		
the reporting period		
a) Partnerships with CET 23		
Percentage of discretionary grant budget allocated for the development of high-level,	10%	5%
intermediate, and elementary skills in the reporting period		
a) High-level Skills		
Percentage of discretionary grant budget allocated for the development of high-level,	20%	5%
intermediate, and elementary skills in the reporting period		
c) Elementary Skills		

### Report on compliance with legislation

- 20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
- 21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- 22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
- 23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements and annual report

- 24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
- 25. Material misstatements on prior period errors note, statement of cash flows and grants and transfers payable (non-exchange) identified by auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

### Other information in the annual report

- 26. The accounting authority is responsible for the other information included in the annual report, which includes the audit committee's report, governance and human resources. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
- 27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
- 28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. 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 in 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

- 30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- 31. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
- 32. Management did not adequately review the financial statements to ensure that all the information disclosed is accurate and consistent with the accompanying notes to the annual financial statements.

And for - General

Pretoria 31 July 2024



Auditing to build public confidence

### ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

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

### **Financial statements**

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

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

#### Communication with those charged with governance

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

#### Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51 (1)(b)(i); 51 (1)(b)(ii); 51 (1)(e)(iii); 53(4);
	Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b);
	Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation
, ,	16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a);
	16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e);
	16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3;
	16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)
	(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation
	16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a);
	Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1;
	Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b);
	Regulation 32.1.1 (c); 33.1.1; 33.1.3
SETAs Grant Regulations of 2012	Section 2(1), (2), (3)
	Section 3(3) & (4)
	Section 4(3), (8) Section 6(9)(iii)
Construction Industry Development Board Act 38 of	Section 18(1)
2000	D
Construction Industry Development Board Regulations,	Regulation 17; 25(7A)
2004 Second amendment National Treasury Instruction No. 5	Paragraph 1
of 202/21	i aragrapii i
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 92021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2;
	Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of	Section 1; 2.1 (a); 2.1(f)
2000	
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3;
	Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8;
	Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12	Section 34(1)
of 2004	

(REGISTRATION NUMBER 11/HWSETA/1/04/20)

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### GENERAL INFORMATION

Nature of business and principal activities Statutory body responsible for ensuring the development

and implementation of sector-specific skills plans, as well as promoting and facilitating skills development in the health

and social development sectors.

Accounting Authority Dr. NV Mnisi

Dr N Ndzwayiba Mr SR Kgara Dr JK Mothudi Ms N Xulu Mr K Sodidi Ms TA Mbotshane Dr LD Marutle Ms BP Malope Ms L Harie Ms LP Duma Dr S Kabane

Mr R Van Loggerenberg

Mr J Shiburi

Dr N Makanya

Registered office 17 Bradford Road Bedfordview

Johannesburg 2047

Private Bag X15

Gardenview 2047

**Controlling entity** Department of Higher Education, Science and

Innovation

**Bankers** Standard Bank of South Africa

Corporation for Public Deposits

**Auditors** Auditor General of South Africa

Secretary Eleaze Woodward

Company registration number 11/HWSETA/1/04/20

**Level of assurance** These Annual Financial Statements have been audited

in compliance with the applicable requirements of the

Companies Act 71 of 2008.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## INDEX

The statements set out below comprise the audited Annual Financial Statements presented to Parliament:

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Stateme	ent of Financial Performance	149
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Stateme	ent of Cash Flows	151
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	ting Policies	
	the audited Annual Financial Statements	
	Public Finance Management Act	
	Generally Recognised Accounting Practice	
SETA SDL AQP	Sector Education and Training Authority Skills Development Levy Assessment Quality Partner	

ASB Accounting Standards Board
SARS South African Revenue Service
DHET Department of Higher Education, Science and Innovation
QCTO Quality Council for Trades & Occupations
SME Small and Medium-sized Enterprises
TVET Technical and Vocational Education and Training

NGO Non-Governmental Organisation
RPL Recognition of Prior Learning

The unaudited Annual Financial Statements set out on pages 148 to 207, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2024 and were signed on its behalf by:

Dr NV Mnisi

Chairperson of the Board

Ms Elaine Brass CA (SA)

**Chief Executive Officer** 

Ms Zandile Mafata Chief Financial Officer

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024	2023
			Restated*
		R'000	R'000
Assets			
Current Assets			
Receivables from non-exchange transactions	2	2 622	13 986
Statutory receivables	3	58 927	58 790
Receivables from exchange transactions	4	4 423	3 533
Prepayments	5	2 075	2 126
Inventories	6	885	810
Cash and cash equivalents	7	515 432	331 987
•		584 364	411 232
N. C. Alexandria			
Non-Current Assets	0	0.070	0.700
Property, plant and equipment	8	9 379	8 723
Intangible assets	9	5 788	6 380
T . 1		15 167	15 103
Total Assets	-	599 531	426 335
Liabilities			
Current Liabilities			
Grants and transfers payable (non-exchange)	10	38 951	55 197
Trade and other payables - exchange transactions	11	5 996	3 036
Short term employee benefit	12	18 383	16 607
Levy exempt provision	13	8 076	7 445
Operating lease liability	14	682	1 873
		72 088	84 158
Total Liabilities		72 088	84 158
Net Assets		527 443	342 177
Reserves			
Administration reserve		15 167	15 103
Discretionary reserve		512 276	327 074
Total Net Assets		527 443	342 177

<sup>\*</sup>See note 36 at bottom of pages

# STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2024	2023
			Restated*
		R'000	R'000
Revenue			
Revenue from exchange transactions			
Investment income	15	31 405	18 648
Other income (Exchange)	16	325	200
Total revenue from exchange transactions		31 730	18 848
Revenue from non-exchange transactions			
Taxation revenue			
Skills Development Levy - income	18	941 889	919 185
Skills Development Levy - penalties and interest	18	4 295	4 374
Other income (Non-exchange)	19	4 659	916
Total revenue from non-exchange transactions		950 843	924 475
Total revenue		982 573	943 323
Expenditure			
Employer grants and project expenses	20	595 550	745 785
General expenses	21	42 896	38 458
Employee related costs	22	128 171	118 685
Depreciation and amortisation		3 180	2 616
Lease rentals on operating lease		14 997	16 366
Debt impairment		4 400	-
Internal audit		3 553	2 672
External audit		4 560	3 053
Total expenditure		797 307	927 635
Surplus for the year		185 266	15 688

# STATEMENT OF CHANGES IN NET ASSETS

	Employer grant reserve	Administration reserve	Discretionary reserve	Total reserves	Accumulated surplus/deficit	Total net assets
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2022	-	14 789	311 663	326 452	-	326 452
Changes in net assets						
Allocation of unappropriated surplus	59 314	33 096	(76 722)	15 688	-	-
Transfer from employer reserve	(59 313)	-	59 313	-	-	-
Transfer of discretionary reserves	-	(33 234)	33 234	-	-	-
Net income (losses) recognised directly in						
net assets	1	(138)	15 825	15 688	-	15 688
Deficit for the year	-	-	-	-	(2 266)	(2 266)
Total recognised income and expenses for						
the year	1	(138)	15 825	15 688	(2 266)	13 422
Total changes	1	(138)	15 825	15 688	(2 266)	13 422
Balance at 1 April 2023 as restated Adjustments	-	15 103	327 074	342 177	-	342 177
Correction of errors 36	_	_	(17 954)	(17 954)	_	(17 954)
Opening balance as previously reported	-	15 103	309 120	324 223	-	324 223
Changes in net assets Allocation of unappropriated surplus	64 886	1 682	118 698	185 266	_	185 266
Transfer from employer reserve	(64 886)		64 886	100 200	_	100 200
Transfer of discretionary reserve	(01000)	(1 618)	1 618	_	_	_
Net income (losses) recognised directly in		(1 010)	1 010			
net assets	_	64	185 202	185 266	_	185 266
Surplus for the year	_	-	-	-	185 266	185 266
Total recognised income and expenses for		.,				
the year	-	64	185 202	185 266	185 266	370 532
Total changes	-	64	185 202	185 266	-	185 266
Balance at 31 March 2024	-	15 167	512 276	527 443	-	527 443

# STATEMENT OF CASH FLOWS

	Notes	2024	2023
			Restated*
		R'000	R'000
Cash flows from operating activities			
Receipts			
Levies, interest and penalties		957 411	885 706
Other cash receipts from stakeholders		4 094	1 052
Total receipts		961 505	886 758
Payments			
Employee related costs		(126 395)	(117 292)
Payments to suppliers and other		(68 664)	(65 675)
Employer grants and project expenses		(611 164)	(758 454)
Total payments		(806 223)	(941 421)
Cash generated from operations	32	155 282	(54 663)
Interest received from bank accounts and investments		31 405	18 648
Net cash flows from operating activities		186 687	(36 015)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(3 069)	(2 639)
Proceeds from sale of property, plant and equipment	9	40	-
Purchase of other intangible assets	9	(213)	(291)
Net cash flows from investing activities		(3 242)	(2 930)
Net decrease in cash and cash equivalents		183 445	(38 945)
Cash and cash equivalents at the beginning of the year		331 987	370 932
Cash and cash equivalents at the end of the year	7	515 432	331 987

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between Final budget and actual	2023	Reference
	R'000	R'000	R'000	R'000	R'000	R'000	
Statement of Financial Performance							
Revenue							
Exchange revenue				225	(225)	200	
Other income	15.770	- ( 222	-	325	(325)	200	05.1
Investment income	15 778	6 222	22 000	31 405	(9 405)	18 648	35.1
Total revenue from exchange transactions	15 770	6 222	22.000	21 720	(0.720)	10 040	
transactions	15 778	6 222	22 000	31 730	(9 730)	18 848	
Non-exchange revenue							
Taxation revenue							
SDL income	838 191	26 442	864 633	941 889	77 256	919 185	35.2
Penalties and interest	-	_	_	4 295	4 295	4 374	
Other income	_	_	_	4 659	4 659	916	
Transfer 2022/23 retention surplus	_	139 953	139 953	_	(139 953)	_	
Total revenue from non- exchange		-					
transactions	838 191	166 395	1 004 586	950 843	53 743	924 475	
Total revenue	853 969	172 617	1 026 586	982 573	(44 013)	943 323	
Expenditure							
Personnel	(128 425)	247	(128 178)	(128 171)	7	(118 685)	
Depreciation and amortisation	(2 871)	(14)	(2 885)	(3 180)	(295)	(2 616)	
Discretionary and mandatory grants	(664 520)	(155 480)	(820 000)	(595 550)	224 450	(745 785)	
Lease rentals	(12 657)	$(4\ 484)$	(17 141)	(14 997)	2 144	(16 366)	35.4
Debt impairment	-	-	-	(4 400)	$(4\ 400)$	-	
Internal audit fees	(1 254)	(1 946)	(3 200)	(3 553)	(353)	(2 672)	
External audit fees	(3 656)	(344)	(4 000)	(4 560)	(560)	(3 053)	
General expenses	(36 586)	(9 596)	(46 175)	(42 896)	3 279	(38 458)	35.6
Total expenditure	(849 969)	<u> </u>	(1 021 579)	(797 307)	228 679	(927 635)	
Surplus (deficit) for the year	4 000	1 000	5 000	185 266	190 266	15 688	
Capital budget	(4 000)	(1 000)	(5 000)	(3 283)	1 717	(2 930)	
Actual amount on comparable basis	-	-	_	181 983	191 983	12 758	

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# ACCOUNTING POLICIES

#### 1. Presentation of audited Annual Financial Statements

The audited Annual Financial Statements have been prepared in accordance and in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

These audited Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The budget has been prepared on an accrual basis.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited Annual Financial Statements, are disclosed below.

#### 1.1 Presentation currency

These financial statements are presented in South African Rands. All amounts are rounded to the nearest one thousand, unless otherwise stated.

#### 1.2 Going concern assumption

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

#### 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: GRAP 25 - Employee benefits (revised)

Effective date - Years beginning on or after: To be determined

**Impact:** 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 are not expected to significantly impact HWSETA's current accounting policies or disclosures.

Standard/Interpretation: GRAP 104 - Financial instruments (revised)

Effective date - Years beginning on or after: 1 April 2025

**Impact:** 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### **ACCOUNTING POLICIES**

#### 1.3 New accounting pronouncements (continued)

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 as the HWSETA does not have complex financial instruments.

Standard/Interpretation: IGRAP 7 - The limit on a defined benefit asset, minimum funding requirements and their interaction (revised)

Effective date - To be determined

**Impact:** 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.

Standard/Interpretation: IGRAP 22 - Foreign currency transactions and advance considerations

Effective date - Years beginning on or after: 1 April 2025

Impact: Unlikely to impact the HWSETA

Standard/Interpretation: GRAP 103 - Heritage assets

Effective date - To be determined

**Impact:** Unlikely to impact the HWSETA

Standard/Interpretation: GRAP 1 (Amended) - Presentation of financial statements

Effective date - To be determined

Impact: No material impact on the HWSETA

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# ACCOUNTING POLICIES

#### 1.4 Revenue recognition

#### Exchange revenue

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

#### **Interest income**

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

#### Non-exchange transactions

When the resources transferred to the HWSETA are subject to the fulfilment of specific conditions, it recognises these as assets and corresponding liabilities. 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.

#### 1.4.1 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) which 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 20% 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### **ACCOUNTING POLICIES**

#### 1.4.1 Non-exchange revenue - Levy income (continued)

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 in June 2001.

#### **Exempted employers**

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

## 1.4.2 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 1 April 2013. The 30% received by the HWSETA is utilised as follows:

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

## 1.4.3 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.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## ACCOUNTING POLICIES

#### 1.5 Employer grants and project expenses

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.

#### **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 cut-off period and the application has 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.

#### 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 comprises:

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

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

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

#### Grant payments and projects

A provision is recognised for grant payments once the specific criteria set out in the regulations to the Skills Development Act, 1998 (Act No. 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **ACCOUNTING POLICIES**

#### 1.6 Employee benefits

#### 1.6.1 Salaries and wages

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

#### 1.6.2 Leave

The HWSETA recognises 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.

#### 1.6.3 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.

#### 1.6.4 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.

#### 1.7 Commitments

Commitments are disclosed in the notes to the Annual Financial Statements and are not raised as liabilities and is 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.

#### 1.8 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.

#### **Initial recognition**

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

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

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## ACCOUNTING POLICIES

#### 1.8 Property, plant and equipment (continued)

#### **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 2 to 6 years
- Motor vehicles 5 to 10 years
- Office furniture and fittings 10 to 20 years
- Office equipment 10 to 15 years

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.

#### **Impairment**

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

Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to its recoverable service amount (that is impairment losses are recognised).

#### De-recognition of property, plant and equipment

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

#### 1.9 Intangible assets

#### 1.9.1 Internally generated fixed assets

The HWSETA recognises the development of the HWSETA ERP system as internally generated software. All expenses that all 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.

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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### **ACCOUNTING POLICIES**

#### 1.9.1 Internally generated fixed assets (continued)

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.

#### 1.9.2 Other tangible assets

Intangible assets are recognised when acquired at the transaction price and classified as intangible assets when it is expected that they will provide benefit over more than one financial year.

Computer software - 2 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.

1.9.2.3 De-recognition of other intangible assets 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 expenses 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 amortised from the time of bringing the asset into use over the estimated life of the asset.

#### 1.9.3 Impairment

Intangible assets are reviewed regularly to assess whether there is any indication of impairment. Where the carrying amounts of intangible assets are greater than their recoverable service amounts, these assets are written down to these recoverable service amounts.

#### 1.9.4 Research and development

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## ACCOUNTING POLICIES

#### 1.10 Inventories

#### **Initial recognition**

The HWSETA initially measures inventory (consumables) at cost.

#### 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 holds inventory for consumption to be distributed at no charge.

#### 1.11 Leases

#### 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.

#### 1.12 Contingencies

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.

#### 1.13 Impairment of cash-generating 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.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### **ACCOUNTING POLICIES**

#### 1.13 Impairment of cash-generating assets (continued)

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

#### 1.14 Provisions and contingencies

#### 1.14.1 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.

#### 1.14.2 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.

#### 1.15 Financial instruments

#### 1.15.1 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.

#### 1.15.2 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.

#### 1.15.3 Financial assets

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

## $1.15.4\,\mathrm{Receivables}$ from non-exchange and from exchange transactions

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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## ACCOUNTING POLICIES

#### 1.15 Financial instruments (continued)

#### 1.15.5 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.

#### 1.15.6 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.

#### 1.15.7 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.

#### 1.15.8 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.

#### 1.15.9 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.

#### 1.16 Reserves

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

#### 1.16.1 Administration reserve

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

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## **ACCOUNTING POLICIES**

#### 1.16 Reserves (continued)

#### 1.16.2 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.

#### 1.16.3 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.

#### 1.16.4 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 No. 97 of 1998). The 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:

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

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

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

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

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

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

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## ACCOUNTING POLICIES

#### 1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Prior period errors have been disclosed in note 35 of the Annual Financial Statements.

#### 1.18 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:

#### 1.18.1 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 credit worthiness 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.

#### 1.18.2 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.

#### 1.18.3 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.

## 1.18.4 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.

#### 1.18.5 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions in included in note 1.14 – Provisions.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### **ACCOUNTING POLICIES**

#### 1.18 Key accounting judgements (continued)

#### 1.18.6 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.

#### 1.18.7 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, plant and equipment, and amortisation of intangible assets.
- b) Provision for doubtful debts from non-exchange transactions.
- c) Provision for levy exempt employers

#### 1.19 Statutory receivables

#### 1.19.1 Initial measurement

The HWSETA initially measures statutory receivables at their transaction amount.

#### 1.19.2 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.

#### 1.19.3 Accrued interest

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

#### 1.19.4 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# ACCOUNTING POLICIES

#### 1.19.4 Impairment losses (continued)

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.

#### 1.19.5 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## **ACCOUNTING POLICIES**

#### 1.19.5 Derecognition (continued

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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

		2024	2023
		R'000	R'000
2.	Receivables from non-exchange transactions		
	Non exchange receivables - mandatory grants payments	470	470
	Non exchange receivables - discretionary grant over payments and unutilsed	433	6 823
	Discretionary grant receivables	4 400	4 672
	Inter-SETA debtors	2 001	2 000
	SARS levy reversals - employer grant overpaid	1 548	2 052
	Provision for doubtful debts	(6 230)	(2 031)
		2 622	13 986
	Reconciliation of provision for impairment of receivables from		
	non-exchange transactions		
	Opening balance	2 031	5 204
	Movement in provision	4 199	(3 173)
		6 230	2 031
	Employer overpaid		
	Included in Skills Development Levy debtors are:		
	SARS receivables/(payable)	2.052	( 0.10
	Opening carrying amount	2 052	6 018
	Net effect of SARS adjustments on levies for the current year	(504)	(3 966)
	Closing carrying amount	1 548	2 052
3.	Statutory receivables		
	Statutory receivable - government levies	58 927	58 790
	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 1 April 2013. At year $$ end government levies that are		
	due but not yet received are recognised as receivables in the Annual Financial		
	Statements		
	Current assets	58 927	58 790
4.	Receivables from exchange transactions		
	Interest receivable on cash balances	743	365
	Office rental deposits	1 820	1 800
	Staff receivables - salary advances	57	442
	Staff study assistance/bursaries	1 803	926
	Total receivables	4 423	3 533

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## **NOTES**

		2024	2023
		R'000	R'000
			_
5.	Prepayments		
	Insurance	288	301
	Office rental in advance	1 323	1 267
	Subscriptions and other supplier deposits	464	558
	Closing balance	2 075	2 126
6.	Inventories		
	Consumables: Opening balance	810	895
	Purchases	2 877	1 377
	Utilised	(2 802)	(1 462)
	Closing balance	885	810
7.	Cash and cash equivalents		
	Cash and cash equivalents consist of:		
	Cash on hand	24	19
	Cash - bank deposits	61 319	52 257
	Cash - Corporation for Public Deposits	454 089	279 711
	Cash and cash equivalents at end of year	515 432	331 987

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 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 Corporation for Public Deposits.

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.

No restrictions on the use of cash and cash equivalents exist.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### NOTES

2024	2023
R'000	R'000

#### 8. Property, plant and equipment

	2024				2023	
		Accumulated			Accumulated	
		depreciation and			depreciation and	
		accumulated	Carrying		accumulated	Carrying
	Cost	impairment	value	Cost	impairment	value
Computer equipment	14 130	(12 045)	2 085	13 035	(10 642)	2 393
Motor vehicles	1 121	(718)	403	890	(840)	50
Office equipment	7 779	(5 268)	2 511	7 614	(4 801)	2 813
Office furniture and	8 507	(4 127)	4 380	7 150	(3 683)	3 467
fittings						
Total	31 537	(22 158)	9 379	28 689	(19 966)	8 723

## Reconciliation of property, plant and equipment - 2024

	Opening				
	balance	Additions	Disposals	Depreciation	Total
Computer equipment	2 393	1 095	-	(1 403)	2 085
Motor vehicles	50	453	(40)	(60)	403
Office equipment	2 813	165	-	(467)	2 511
Office furniture and fittings	3 467	1 357	-	(444)	4 380
	8 723	3 070	(40)	(2 374)	9 379

Disposals: Computer equipment with a cost of R5 756 707 and a zero carrying value has been identified for disposal early in the 2024/25 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.

Repairs and maintenance to an amount of R1 688 000 was incurred during the year. Refer to note 20. No restrictions on the use of property, plant and equipment exist.

The HWSETA traded in the Toyota Corolla with a carrying value of R40 000 for an amount for R65 000 resulting in a profit of R25 000.

No changes in estimates or useful lives made during the year.

# Reconciliation of property, plant and equipment - 2023 $\,$

	Opening			
	balance	Additions	Depreciation	Total
Office furniture and fittings	2 883	932	(348)	3 467
Computer equipment	2 594	1 433	(1 634)	2 393
Office equipment	3 101	274	(562)	2 813
Motor vehicles	118	-	(68)	50
	8 696	2 639	(2 612)	8 723

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## **NOTES**

2024	2023
R'000	R'000

#### 9. Intangible assets

Other intangible assets Internally generated software Total

	2024			2023	
	Accumulated			Accumulated	
	depreciation and accumulated	Carrying		depreciation and accumulated	Carrying
Cost	impairment	value	Cost	impairment	value
885	(818)	67	-	-	-
5 805	(84)	5 721	6 477	(97)	6 380
6 690	(902)	5 788	6 477	(97)	6 380

#### Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Other intangible assets	659	214	(806)	67
Internally generated software	5 721	-	-	5 721
	6 380	214	(806)	5 788

#### Reconciliation of intangible assets - 2023

	Opening			
	balance	Additions	Amortisation	Total
Other intangible assets	372	291	(4)	659
Internally generated software	5 805	-	(84)	5 721
	6 177	291	(88)	6 380

The HWSETA ERP system has not been amortised as the development is not yet completed. 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**: No disposals were made during the year.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### NOTES

		2024	2023
		R'000	R'000
10.	Grants and transfer payables – non-exchange transactions		
	Discretionary grants payable (financial instrument)	818	2 769
	Inter-SETA payables	1 239	1 450
	Mandatory grants payable	38 418	48 616
	SARS levy reversals - employer mandatory grants underpaid	(1 548)	2 335
	Unallocated receipts	24	27
		38 951	55 197
11.	Trade and other payables - exchange transactions		
	Accrued expenses		
	Payroll creditors	3 684	985
	Trade creditors	2 427	459
		(115)	1 592
		5 996	3 036

The AGSA report refers to HWSETA's achievement of targets under paragraph 19. This relates only to programme 3: Skills Development Programmes and projects, where 28% was achieved. The AG indicates that 28% of the targets in Programme 3 was achieved 100% or more. To note that the HWSETA has achieved progress of various %s on other indicators not 100% achieved. Also the budget spent of 68% refers to the entire Discretionary Grant Budget spent across all 4 programmes, not just Programme 3.

## 12. Short term employee benefits

#### Reconciliation of short term employee benefits - 2024

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Bonuses	11 179	13 351	(9 123)	(2 056)	13 351
Leave pay	5 428	5 032	(602)	(4 826)	5 032
	16 607	18 383	(9 725)	(6 882)	18 383

### Reconciliation of short term employee benefits - 2023

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Bonuses	9 501	11 178	(8 744)	(756)	11 179
Leave pay	5 713	-	-	(285)	5 428
	15 214	11 178	(8 744)	(1 041)	16 607

The provision for leave pay 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

		2024 R'000	2023 R'000
13.	Levy exempt provision		
	Opening balance	7 445	6 629
	Transfer to discretionary income	(1 370)	(1 207)
	Additional provision created	2 001	2 023
	Closing balance	8 076	7 445
	This balance relates to levy-exempt employers contributing levies to the HWSETA. Unclaimed funds received more than five years ago have been transferred to discretionary income as per the Skills Development Levies Act.		
14.	Operating lease liability		
	Opening balance	1 873	442
	Recognition of accruals due to commencement of lease contracts	(1 191)	1 431
	Closing balance	682	1 873
	Refer to note 25.		
15.	Investment income		
	Interest income from banking institutions	31 405	18 648
16.	Other income		
10.	Mandatory grants received from Services SETA	221	200
	Grant refunds and write offs	104	200
	Grant retunus and write ons	325	200

## 17. Allocation of net surplus for the year to reserves 31 March 2024

	Total per Statement			
	of Financial	Administration	<b>Employment</b>	Discretionary
	Performance	on Reserve	<b>Grant Reserve</b>	<b>Grant Reserve</b>
Admin levy income (10.5%)	92 875	92 875	-	-
Grant levy income (69.5%)	616 129	-	176 909	439 220
Government levy income	232 885	110 239	-	122 646
Skills development: penalties and interest	4 295	-	-	4 296
Investment income	31 405	-	-	31 405
Other income	4 984	325	-	4 659
	982 573	203 439	176 909	602 226
Administration expenses	(201 757)	(201 757)	-	-
Employer grants and project expenses	(595 550)	-	(112 023)	(483 527)
	185 266	1 682	64 886	118 699

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

#### 17. Allocation of net surplus for the year to reserves 31 March 2024 (continued)

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).

#### Allocation of deficit for the year ended 31 March 2023

	Total per			
	Statement		<b>Employment</b>	
	of Financial	Administration	Grant	Discretionary
	Performance	on Reserve	Reserve	<b>Grant Reserve</b>
Admin levy income (10.5%)	84 833	84 833	-	-
Grant levy income (69.5%)	562 195	-	161 417	400 778
Government levy income	272 157	129 913	-	142 244
Skills development: penalties and interest	4 374	-	-	4 374
Investment income	18 648	-	-	18 648
Other income	1 116	200	-	916
	943 323	214 946	161 417	566 960
Administration expenses	(181 850)	(181 850)	-	-
Employer grants and project expenses	(745 785)	-	(102 103)	(643 682)
	15 688	33 096	59 314	(76 722)

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).

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

		2024 R'000	2023 R'000
18.	Revenue from non-exchange transactions		
	Levy income: Administration		
	Levies received from SARS	92 875	84 833
	Government levies received	110 239	129 913
	Total	203 114	214 746
	Levy income: Employer grants		
	Levies received from SARS	176 908	161 554
	Inter-SETA transfer in	1	4
	Inter-SETA transfer out	-	(141)
	Total	176 909	161 417
	Levy income: Discretionary grants		
	Levies received from SARS	437 848	399 910
	Government levies received	122 646	142 244
	Transfers from levy exempt	1 370	1 207
	Interest	2 551	2 647
	Penalties	1 744	1 727
	Inter-SETA transfer in	2	11
	Inter-SETA transfer out	-	(350)
	Total	566 161	547 396
	Total skills development levy income	946 184	923 559
19.	Other income (non-exchange)		
	Grant refunds and write offs	4 659	916
20.	Employer grant and project expenses		
	Mandatory grants	112 023	102 103
	Movement in provision	(483)	(3 172)
	Disbursed	112 506	105 275
	Discretionary grants	483 527	643 682
	Discretionary grants	483 527	643 682
		595 550	745 785

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

		2024	2023
		R'000	R'000
21.	General expenses	2 007	4.450
	Advertising, marketing and promotions and communication	2 097	1 152
	Audit committee fees	463	299
	Bank charges	281	272
	Branding	4 182	3 253
	Catering and refreshments	521	397
	Cleaning	1 270	1 133
	Consulting and professional fees	931	116
	Consumables	1 068	302
	Courier and postage	205	192
	Forensic investigations	911	-
	Groceries	133	97
	Insurance	484	554
	International benchmarking	152	-
	Legal fees	237	151
	Management of fraud hotline	37	23
	Motor vehicle expenses	48	54
	Office move	58	113
	Printing and stationery	474	1 055
	Programme evaluations and AQP	-	2 193
	Quality Council for Trade & Occupations levy	4 718	3 638
	Recruitment costs	201	129
	Remuneration to members of the Accounting Authority	2 481	1 909
	Repairs and maintenance	1 688	654
	Research and development costs	97	1 213
	Security	9	137
	Social responsibility	929	39
	Software support	2 750	3 402
	Staff bursaries	458	943
	Staff training and development	401	449
	Staff welfare	435	125
	Storage	15	44
	Subscriptions	1 057	449
	Telephone and fax	2 541	1 657
	Travel, subsistence and accommodation	5 417	4 191
	Water and electricity, rates and taxes	3 719	2 970
	Workshops	2 428	5 153
		42 896	38 458

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### NOTES

		2024	2023
		R'000	R'000
22.	Employee related costs		
	Basic salaries	89 445	87 112
	Bonus	11 294	10 494
	Temporary staff and interns	4 628	2 609
	Leave expense	304	(34)
	Medical aid - company contributions	4 461	3 736
	Defined contribution plans	13 584	12 836
	SDL	1 108	1 028
	UIF	334	324
	Workmen's compensation	154	146
	Cellphone allowances	432	434
	Long service awards	2 427	-
		128 171	118 685
	Number of employees at period end:		
	Permanent	141	150
	Temporary	15	7
	Internships	8	8
	T.		
		164	165

#### 23. Contingencies

#### **Contingent asset:**

23.1 The following stakeholders/employers were found to have breached the terms of the Memorandum of Agreements (MoAs) they each had with the HWSETA. The stakeholders/employers misused the learner's stipends by not paying the stipends to the learners. The HWSETA was alerted of this through the tip-off line. The HWSETA's legal officer conducted an investigation resulting in the matters being handed to the lawyers and a case against each stakeholder/employer being opened with SAPS. Listed below are the stakeholder/employers in question:

Afrika Connect - the bright future - R900 000 Ludziwo Foundation - R469 000 Remmogo VE - R166 000 Lithala Financial Education - R989 000

#### Contingent liabilities:

#### 23.2 Lerong Consulting (Pty) Ltd

Lerong Consulting is suing HWSETA for alleged material breach of contract for a total amount of R823 267.00 (Eight hundred twenty-three thousand two hundred sixty-seven rand) with 15.5% interest on the amount from date of summons. The matter is at pleading stage, with estimated legal costs of R800 000.00, including counsel fees.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### NOTES

2024	2023
R'000	R'000

#### 23. Contingencies (continued)

#### 23.3 CCMA (erstwhile HWSETA employee)

CCMA awarded the HWESETA erstwhile employee the amount of R82 639.97 (Eighty-two thousand six hundred thirty-nine rand ninety-seven cent). The HWSETA opposed it and applied for a rescission, which was declined by the court. The erstwhile employee enforced the ruling by a writ of execution. The HWSETA approached the Labour Court on urgent basis to stay the execution. The Labour Court heard the matter but reserved judgement. The HWSETA paid R82 639.97 to the Sheriff pending the Labour Court judgement.

#### 23.4 Business Unity South Africa (BUSA)

In December 2012, the Minister repealed the 2005 Grant Regulations and promulgated the 2012 Grant Regulations. Regulations 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 (BUSA) 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 BUSA 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, as well as 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 BUSA on the matter, there has been no directive from the Department of Higher Education and Training to the SETAs on how to handle this matter. The SETAs continue to pay mandatory grants at 20% to all qualifying employers. The 2012 Grant Regulations are currently under review. The new draft regulations were published per Government Gazette 47926 of 27 January 2023 for comments. On 25 January 2024 the NSA started with public consultations.

#### 23.5 True Harvest College

True Harvest College is suing HWSETA for damages arising from delictual liability based on a failure to act. True Harvest College alleges the HWSETA's failure to act caused it to suffer financial and reputational loss. The matter is at pleading stage, with estimated legal costs of R550 000.00, including counsel fees.

#### 23.6 Retention of surplus

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. Formal approval will be sent to the DHET to apply to retain surplus funds for 2023/24. Based on past experience it is probable that the surplus retention will be approved. As at 31 March 2024 the HWSETA has commitments raised for R646 million.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## **NOTES**

2021	2022
2024	2023
R'000	R'000

#### 23.6 Retention of surplus (continued)

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No. 12 of 2020/21

	511 391 000	326 264 000
Less: Payables	(72 088 000)	(84 158 000)
Add: Receivables	68 047 000	78 435 000
Cash and cash equivalent	515 432 000	331 987 000

Formal approval was obtained from the Minister of DHET to retain the surplus funds from the 2022/23 financial year.

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No. 12 of 2020/21.

Instruction No. 12 of 2020/21		
Cash and cash equivalent	331 987 000	370 932 000
Add: Receivables	78 435 000	40 264 000
Less: Payables	(66 151 000)	(100 429 000)
	344 271 000	310 767 000

During the audit of the 2022/23 Annual Financial Statements it was brought to the attention of the HWSETA that the surpluses needed to have been approved by the National Treasury and not DHET. There is a possibility that the R188 000 000 surplus utilised in 2022/23 from the total of R310 768 000 may be considered as irregular expenditure. This matter is currently being addressed and is not yet finalised by the National Treasury and DHET.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

#### 24. Commitments

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Learnerships 2018/19	3 (1)	72 076	633	-	(309)	-	(518)	(194)
Learnerships 2019/20	3 (1)	85 186	25 762	=	(18 703)	-	(7 059)	-
Learnerships - NCDOH	3 (1)	1 536	-		 -¦	-	; 	-
Learnerships - KZNPPHC	3 (1)	555	- ;			-	<u> </u>	-
Learnerships - NICOSA	3 (1)	55			  -		   -	
Learnerships - WCDOH	3 (1)	2 895	- ;			-	- ¦	
Learneships - NCDOSD	3 (1)	2 400				-	; -	
Learnerships - Mbekweni	3 (1)	162					; 	
Learnerships - Netcare		÷						
YES Programme	3 (1)	1 428	-	-	- !	-	- :	-
Learnerships - Katekane		!						
Community	3 (1)	268	<u>-                                    </u>	-	- :	-	-	-
Learnerships - Katekane			į					
Community/ Plat Drive								
ECD Centre	3 (1)	306	- ;		- ¦ +		-	
Learnerships - ECD	3 (1)	739	-	-	-	-	-	-
Matlosana		; +					; 	
Learnerships - Global Clinic and Viral			į					
Laboratory	3 (1)	404	!					
Learnerships - University	3 (1)	++ ++						
of Venda	3 (1)	1 890	-	_	_	_	-	_
Learnerships - Life								
Healthcare - Genetic			1		1			
management	3 (1)	900	-	-	-	-	-	-
Learnerships -		! !	!					
Foundation of								
Professional Development	3 (1)	2 429	-		- ;		-	
Learnerships - Candiz			i !					
Training Academy	3 (1)	437	- :		-		-	

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Learnerships - Graduates							 	
for the Cause	3 (1)	5 :	- ;		-	- :	-	
Support to World Skills			1				 	
Competition	DHET SLA	780	- ;	-	-	-	-	-
SME Funding 2018/19	10	1 529	-	-	 	-	-	
WIL University Students								
- 2019/20	32 (1)	(431)	-	-	-	-	-	-
WEG for TVETS 2019/20	28 (1)	(159)	(38)	-	-	-	-	(38)
Artisans and Technicians		! !						
Training Programme							i	
2019/20	26 (1) (4)(1)	692	13 179	-	-	(13 179)	-	-
Artisan programme								
2020/21	4 & 26	1 009	6 250	-	(2 049)	-	(204)	3 997
Internships for university								
graduates 2019/20	7 (1)	-	(77)		-	-	-	(77)
Skills programmes								
2016/17	8 (1)	4 128	- <u> </u>	-	-	-	-	-
Skills programmes							i	
2017/18	8 (1)	3 948	1 147		(623)	-	(524)	
Skills programmes			į				i	
2018/19	8	8 771	- j	-	-	-	- [	-
Skills programmes		i i					i i	
2019/20	8	5 863	- :	-	-	-	-	_
Bursaries Employed	6 (4) &				<del></del>	<del></del>	<del>-</del>	<b>-</b>
2019/20	6 (5)	-	- <u> </u>	-	-	-	-	-
Levy exempt 2019/20	22	3 485	144	-	(91)	-	(53)	-
Post graduate research	6 (1)	*+ !					+	
bursaries 2015/16	(2)/27(1)(2)	(285)	- !	-	-	-	-	
Research bursaries for								
post graduate - employed	6 (1)						i ! !	
2016/17	(2)/27(1)(2)	-	319	-	(254)	=	(65)	

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

## 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Lecturer development	16 (1)	208	208	-	   –	. –	 	208
Adult education and	21(1)/	 	i !			 		
training	31 (1)	480	480	-	-	¦ – +	 	480
Research bursaries for	6 (1)		 			 	 	
post graduate - 2017/18	(2)/27(1)(2)	¦ ++			-	¦ – +	 	-
Development of African						! !		
paediatrics specialist	23	1 219	1 219		-		(1 016)	203
Research bursaries	(4)		i			! !		
for post graduate -	6 (1)		 			1 1 1		
2018/19	(2)/27(1)(2)	466	-		-	-	: 	-
Research bursaries	(11)	 	i !			i I I		
for post graduate -	6 (1)	- 444	2.24			! ! !	(0)	2 220
2019/20	(2)/27(1)(2)	5 411	3 346		-	; ;	(8)	3 338
RPL training for SDPs - St Colonel	25	285	 			 	 	
Leadership and computer	±25	200				- 		
skills	11	120	 			 	 	
Assessor/ Moderator		120						
training - Leronsa	14	205	_!	_	_	_	_	_
Induction standard	<del>-</del>	200	<del>-</del>			: :		
bootcamp	23	1 757	1 758	_	_	-	-	1 758
Work experience						+ !	    	
workshop	23	500	- !	_	_	-		_
Project management for	<b>+</b>	+ +         	+			+ · ! !	+ + 	
NPOs	7	263	-	-	-	-	- :	-
Support for public sector		++ ! !				! !		
education and training -						! !		
NHI leadership	14	1 243	-	-	-	-	-	-
HEAIDS intervention -	1	+ 						
PSET	14	(1)			-	-	: - :	-

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Skills Programme - SAVC	I I		i					
- Animal auction and	 		i !				i i I I	
animal euthanasia	8	-	- :	-	-	-	-	-
Centre of specialisation -	26 (1)/ 4							
artisans	(1)	958	-	-	- -	-	- i	-
Artisan development	26 (1)/ 4	19 286	1 930	-	(1 225)	-	(705)	-
programme 2018/19	(1)	i i ++			   	   		
Skills programmes -	 		 		 			
additional	8	8 325	-	-	-	-	: - :	
Funding for co operatives	9	297	- !	-	-	-	 	-
Apprentices on centres of		i i	i !				i i	
specialisation	(1)	11 849	4 821	-	(4 821)	-	 	-
Adhoc - Department of	! ! !							
Health NW pharmacy	! 							
assistant learners	14	2 200	- ;		-	-	- :	
Project management for	! ! !							
NPOs	3 & 8	14 727			-	-	: 	
Assessor and moderator								
training	19	1 325			-	-	; ; ;	
Training of cooperatives	 		i				; !	
on social	 		 					
entrepreneurship		(1.450)	(210)	210			, , , , , , , , , , , , , , , , , , ,	
programme	9	(1 456)	(318)	318	-	-	;	
Internships ad hoc	7 (1)	240	 		 	 		
2019/20 Animal health rural	7 (1)	340	_ i		-		-	
programme	23	59	59	_	_	_	(59)	_
RPL assessment and top-	 !	. J9 : !					(39)	
up training for 350 child	! ! !	: '					; ;	
and youth care workers	25	(2 204)	_ !	_	_	_	_ !	_
youth out workers		1 12 20T/ 1						

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Training of 77 Levy			į					
Exempt organisations on			i					
social entrepreneurship	i !		i !					
programme	22	2 252	-	-	-	-	-	-
Artisan and	1							
technician programme	!							
	26 (1)/ 4 (1)		11 728	-	-	-	(5 575)	6 153
Health handling of waste	14	5 122	916	-	-	-	-	916
Coding and robotics	; ; ;							
learnerships	3 (1)	2 605	- :	-	-	-	- :	-
Bursaries unemployed								
2022/23 (new) and	27 (4)/							
(progression)	27 (5)	113 922	111 493		-		(97 719)	13 774
	26 (1)/4 (1)	1 342	-		-	-	-	-
Learnerships for religous	 							
practitioners	3 (1)	-	14		-	-	-	14
Skills programmes - ad								4
hoc projects (Mount Zion)	8	1	1		-	-	-	1
QASA support for people		(1)	i					
with disabilities Trade union	23	(1)	i - †	-	-	-		
representative project 2020/21	11 (2)	(1)	(1)					(1)
Community education	11 (2)	(1)	(1)					(1)
and training support								
-COVID 19 (Higher								
Health)	23	4 324	5 200	_	_	_	(5 200)	_
National Department of	- <u> </u>	7 027					(3 200)	
Social Development exit			1					
strategy	14 & 3	8 405	- !	-	-	-	-	_

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
National Department of		i						
Social Development exit	i !	! ! ! !						
strategy	14 & 3	4 536	-	-	- !	-	-	-
Funding of SME 2020/21	10	1 114	(12)	-	- 1	-	-	(12)
Funding of levy exempt	+	+ + 			+		+ + 	
enterprises	22 & 11 (1)	(329)	-	-	-	-	- !	-
NGO and NPC training	   		1		i i		 	
2020/21 learning	i 		 		i i		i i i i	
programmes	11 (1)	5 553	- :	-	-	-	-	-
NGO and NPC training	! !	; ; ; ;	i		i !		; ; ;	
2020/21 - projects	11 (1)	1 742	-	-	 		 	-
Bursaries employed	 		 		 		 	
2020/21	6.4 & 6.5	5 102	5 084	-	(5 006)		(84)	(6)
Funding of skills	 		 					
programme 2020/21	8 & 30	13 202	9 748		(7 764)		(1 984)	-
WEG for TVETSn2020/21	28 (1)	40 514	43 570	-	(41 066)	-	(2 520)	(16)
Work integrated learning	! ! !		 				 	
2020/21	32 (1)	5 247	- :		 		: ++	
Funding of internships	! ! !				! !		: :	
programme for university	i ! !							
graduates	7	40 459	44 428		(44 274)		(156)	(2)
Funding of learnership			40.040		(40 =04)			
programme	3 & 29	33 270	48 942		(42 724)		(6 218)	
Post graduate research	27 (1)/ 27		1					
bursaries - 2020/21	(2)/6(1)&	///	((1		! !			///
WEMS prep programme	6 (2)	664	664		; †		; +	664
	!							
and care assistant - DOHNC	23	2 602	2 602					2 602
Vocational bursaries -	<u> </u>	3 683	3 682		- i			3 682
additional 2020/21	17	11 443	11 621	_	7 056	_	(1 988)	16 689
	1/	11 770	11 021		, , , , , , ,		1 700)	10 009

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
SAVC - research projects	12	267	- <u>i</u>	-	-	-	-	-
Post graduate research	 		i i					
	6 (1)/ 6 (2)	417	417	-	-	-	63)	354
Adult education and	 		1 1 1					
training-employed	21 (1)	1 386	1 385		(1 053)		(332)	
Bursaries employed	1	10.004	40.055		4 754		(((0)	10017
2021/22	6 (4) /6(5)	12 894	12 855		1 754		(662)	13 947
Vocational training -	17(1)	22.525	22 524				(14.217)	0.210
2021/22 WIL for university	17(1)	23 535	23 536				(14 317)	9 219
students 2021/22	32 (1)	18 573	18 573				(11 163)	7 410
Internships for university	32 (1)	10 3/3	10 3/3				(11 103)	7 410
2021/22	7 (1)	23 113	23 138	_	(505)	_	(8 358)	14 275
Lecturer development		20 110			(303)		(0 000)	
programme	16 (1)	269	269	_	(38)	_	(19)	212
WEG for TVETS 2021/22	28 (1)	42 985	41 391			-	(20 961)	20 430
Artisans and technicians								
programme - employed								
and unemployed 2021/22	4 (1)	765	4 535	-	-	-	(430)	4 105
Skills programmes	!							
funding-employed	8 (1)	20 235	15 977	- :	(858)	-	(11 810)	3 309
Learnerships - employed	3 (1)	73 723	78 063	-	(62 322)	-	(15 741)	-
World skills SA	1	(353)	160	-	(160)	-	- !	-
Worker leaders	11 (2)	1 807	1 807	-	-	-		1 807
Skills programme for	+	   					·	
workers	8 (1)	2 875	-	-	-	-	- !	-
SMEs 2021/22	10	3 758	4 383		-	-	(526)	3 857
Levy exempt 2021/22	22	(261)	920	-	-	(79)	(841)	-

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

# 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Institute of Justice and								
Reconciliation - anti-	' 							
racism and	 						 	
discrimination	11 (1)	17	- ;	-	-	-	-	-
NHI leadership and	i !							
governance - 2021/22	7	1 087	1 086	-	(1 086)	-	-	-
SA skills and Msinga	 							
skills development (ECD)	3	610	-	-	-	-		-
Lecturer development	3	160	-	- '	-	-	-	-
TVET work experience	 						1	
recommitment 2023	28 (1)					-	; +	
Animal health	3	107		-	-	-	-	-
recruitment	   						 	
Support for NGOs and	 						 	
NPOs	11 (1)	5 407	- :	-		-		-
Cooperative development	 						1 1	
2021/22	3	1 017	867		-	-	(268)	599
Bursaries for unemployed	(1)	/			(= 0 (==)		(5.40.0)	(2.40.0)
persons	27 (4)	27 688	26 141	3 496	(29 637)	-	(3 496)	(3 496)
Internship for university	- (1)	20.400	••				(04.004)	( <b>=</b> 00
graduates 2022/23	7 (1)	39 439	38 787			-	(31 994)	6 793
Work experience for	 						 	
TVET college learners	20 (1)	10.400	20.272				(5.0/0)	1 4 411
2022/23	28 (1) 10	18 408 3 518	20 273 3 252		-   		(5 862)	14 411 2 014
SME funding 2022/23	10	3 318	3 232		-   	-	(1 238)	Z U14
Levy exempt funding	20	000	2.050				(100)	1.0/5
2022/23 Vocational bursaries	22	800	2 058	- i 	- i 		(193)	1 865
2022/23	17 (1)	1 11 11 1	39 052				(15,002)	22 140
TVET work experience	17 (1) 28 (1)	41 414 1 965	39 032				(15 903)	23 149 46
I VET WOLK EXPERIENCE	20 (1)	1 903	40	-	- 1	-		40

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Lecturer development	16 (1)	388	388			! !	(220)	160
programme 2022/23 Work integrated	16 (1)	388	388	<del>-</del>		- - -	(228)	100
learning - university	 					 		
students 2022/23	32 (1)	10 912	10 912	- !	_	_	(5 435)	5 477
Transportation for animal		10 /12	10/12			: 	. (3 +33)	3 477
health diploma learners	3	1	- !	-	_	-	-	_
AET programme 2022/23		·	+	++		+ · ! !	+	
- employed and	21 (1)/31		1	1		 		
unemployed	(1)	2 138	2 138	-	-	-	(858)	1 280
Bursaries employed	*	+ !				† · ·	+	
2022/23 - (New) and	 							
(continuing)	6 (4)/ 6(5)	18 318	18 213	- <u> </u>	-	-	(7 858)	10 355
Worker education - trade	 					! !		
union training	11 (2)	2 421	2 421	-	-	¦ – +	(2 421)	-
Post graduate research	 	!		!		! ! !		
bursaries 2022/23 -		 				! ! !		
employed and	6 (1) (2) /					 		
unemployed	27 (1) (2)	6 081	6 081	+		<u> </u>	(5 305)	776
RPL capacity building -				i			:	
RPL Practioners - St	25		0.051	i		! !	(1.500)	1.750
Colonel Graute Institution	25 19	578	3 351	- i +		i – †	(1 598)	1 753
Assessor training (QED)		49	142		-	; 	(202)	(60)
ECD Level 4 2019/ 20	3 (1)	-	(431)	431 ¦	-	; +	: +	-
Learnerships	3 (1)/ 29	101050	40000	 		! ! !	· · · · · · · · · · · · · · · · · · ·	= 1 1/=
Cl.:11	(1)	104 353	105 823	- i +		; – +	(54 356)	51 467
Skills programmes	0 (1)/			i		 		
2022/23 - employed and unemployed	8 (1)/	30 759	27 102			I I I	(10.252)	10.020
Research costs	30 (1) 5/12	30 / 39 :	37 182 3 079	1 400	(42)	- - -	(18 253)	18 929 344
Nescartii tusts	J/ 14		3 0/9	1 400 ;	(+∠)		(4 093)	344

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

### 24. Commitments (continued)

### Discretionary reserve

Projects	NSDS Objectives and indicators	Opening commitments as previously reported 2022-2023	Opening commitments as restated 2022-2023	Approved by Authority/ adjustments 2023-2024	Decommitments 2023-2024	Recommitments 2023-2024	Utilised 2023-2024	Closing commitments 2023-2024
Post graduate bursaries								! !
(unemployed and	6 (1) (2)/				 		: 	i !
employed)	27 (1) (2)		-	26 405	i 	_	(8 483)	+
	26 (1)/4 (1)	-	- :	19 190	-	1 398	(8 513)	12 075
Skills programme	3	-	-	26 692	-	24 804	(19 723)	31 773
Learnership	29	-	- :	105 115	_	19 816	(49 798)	75 133
Bursaries - unemployed	+	+ + 			†     	· ·	+	+ ! !
2023/24 (new) and	! !						! ! !	! !
(progression)	27.4 & 27.5	-		57 698	-	-	(2 762)	54 936
TVET work experience	3	-	-	28 574	-	17 676	-	46 250
Internships	7 (1)	 	-	62 884	-	-	(5 765)	57 119
Bursaries - employed	†						+	* !
2023/24) - (New) and	1						! ! !	! !
(continuing)	6 (14); 6 (5)	- <u>- i</u>	- ;	17 891	-	-	-	17 891
Vocational bursaries								- 
2023/24	17 (1)	-		43 715	-	-	(7 289)	36 426
AET programme 2023/24	 				 		 	 
- employed and	21 (1)/				 		 	 
unemployed	31 (1)	 	- :	1 452	 	-	¦ – +	1 452
Work integrated	1 1 1				 		 	1 1 1
learning - university	 						 	! !
students 2023/24	32 (1)	-		13 631	33	4 021	150	17 835
Lecturer development	1			2 ( 0			! ! !	2 (0
programme 2023/24)	16 (1)	-		269	+	-	- (4,000)	269
Ad hoc projects	23	; -¦;	- ;	10 650	+	1 038	+	+
Research costs	5/12	 	- ¦	1 400	(42)	-	(1 015)	4
ETQA learning material	19.1	 	-	421	 	-	(421)	+
ETQA invigilators	19.2	- !	-	2 461		-	(2 461)	
		1 131 857	906 170	424 092	(269 067)	68 753	(483 528)	646 421

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTES

2024	2023
R'000	R'000

#### 24. Commitments (continued)

Total discretionary G=grants committed (contracted only) Operating commitments (approved and contracted)

906 170	646 421
-	1 254
906 170	647 675

14 139

46 434

60 573

The HWSETA has committed 126% of reserves in 2023/24. In prior years these commitments were released over a period of two to three years, which allowed the HWSETA sufficient time to build up funds to make good on all its commitments. In recent years the rate of release of commitments has been much quicker and the rate of cash outflow has thus 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 SETAs to commit at least 95% of its reserves each financial year.

#### 25. Operating lease commitments

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

Not later than one year 16 135
Later than one year but not later than five years 46 303
62 438

No material restrictions or conditions exist.

Refer to note 14.

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

Office	Effective date	<b>Termination date</b>	<b>Escalation Rate</b>
Head office - Gauteng	1 March 2022	28 February 2027	7%
Northern Cape - Kimberley	1 March 2022	28 February 2027	10%
Eastern Cape - East London	1 April 2021	31 March 2026	8%
Mpumalanga - Nelspruit	1 April 2021	31 March 2026	7%
North West - Mafikeng	1 March 2022	28 February 2027	7%
Gauteng - Midrand	1 February 2022	30 June 2023	N/a
KZN - Durban	1 March 2022	28 February 2027	8%
Western Cape - Cape Town	1 March 2022	28 February 2027	6%
Free State - Bloemfontein	1 April 2021	31 March 2026	6,50%
Limpopo - Polokwane	1 March 2023	28 February 2028	6%

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## NOTES

		2024 R'000	2023 R'000
26.	Irregular and fruitless and wasteful expenditure		
	Irregular expenditure	2 895	4 004
	Fruitless and wasteful expenditure	1 722	1 172
	Total	4 617	5 176

#### 27. Events after the reporting date

There were no identified events after balance sheet date.

#### 28. Going concern

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

## 29. 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 used 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	Effective		Amount
Period end - 2024	R'000	interest rate	Amount R'000	R'000
Total financial assets				
Cash and cash equivalents	515 432	8,37 %	-	515 432
Accounts receivables	-	-	7 045	7 045
Total financial liabilities	-	-	(6 813)	(6 813)
	515 432		232	515 664
Period end - 2023 Total financial assets				
Cash and cash equivalents	331 987	5,60 %	-	331 987
Accounts receivables	-	-	17 519	17 519
Total financial liabilities	-	-	(5 805)	(5 805)
	331 987		11 714	343 701

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTES

2024	2023
R'000	R'000

# 29. Risk management (continued)

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 are as follows:

#### Financial assets at amortised cost

Cash and cash equivalents	515 432	331 987
Statutory receivables	4 423	3 533
Accounts receivables from non-exchange transactions	2 622	13 986
	522 477	349 506
Financial liabilities at amortised cost		
Payables from exchange transactions	(5 995)	(3 036)
Discretionary grants payable	(818)	(2 769)
	(6 813)	(5 805)

#### 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** 

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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

#### 29. Risk management (continued)

#### Long-term ratings

BB + 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 receivables:

	20:	24	2023	
Not past due	Gross	Impairment	Gross	Impairment
0-30 days	2 348	-	6 139	-
31-120 days	2 098	-	6 423	-
120-365 days	-	-	-	-
Over a year	2 599	-	4 957	-
Carrying amount	7 045	-	17 519	_

### 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.

	20	24	202	23
Not past due	Gross	Impairment	Gross	Impairment
0-30 days	5 236	-	607	-
31-120 days	896	-	5 072	-
Over a year	681	-	126	-
Carrying amount	6 813	-	5 805	

#### 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.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTES

2024	2023
R'000	R'000

#### 29. Risk management (continued)

#### 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.

### 30. 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 1 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.

	20	24	20	23	2024	2023
	R'0	000	R'000		R'000	R'000
	Total contributions received	Total contributions expected	Total contributions received	Total contributions expected	Discretionary Grants Paid	Discretionary Grants Paid
National						
Health	2 055	2 055	2 362	2 622	-	-
Social Development	1 541	1 541	1 522	1 522	-	-
Provincial						
Western Cape						
Health	7 240	7 240	6 873	6 873	18	461
Social Development	3 191	3 191	2 983	2 983	53	-
Eastern Cape						
Health	14 721	14 921	12 247	12 247	-	-
Social Development	3 946	3 946	3 853	3 853	569	214
Gauteng						
Health	26 955	26 955	25 819	25 819	-	2 107
Social Development	5 832	5 832	5 791	5 791	-	-

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

# 30. Levy contributing departments (continued)

	20	24	20	23	2024	2023
	R'0	000	R'000		R'000	R'000
	Total contributions received	Total contributions expected	Total contributions received	Total contributions expected	Discretionary Grants Paid	Discretionary Grants Paid
Free State						
Health	-	25 775	25 332	25 332	3 218	691
Social Development	2 279	2 279	2 153	2 153	749	2 262
Northern Cape						
Health	-	10 712	10 157	10 157	167	1 353
Social Development	1 424	1 424	1 402	1 402	-	380
Mpumalanga						
Health	29 145	29 145	29 526	29 526	6 167	6 433
Social Development	-	2 576	-	-	-	-
Limpopo						
Health	19 554	29 220	72 599	29 709	-	1 298
Social Development	3 966	3 966	11 036	3 751	234	968
Kwa-Zulu/Natal						
Health	25 436	25 436	23 248	23 248	2 742	1 353
Social Development	4 730	4 730	4 182	4 182	1 342	2 262
North West						
Health	29 047	29 047	27 932	27 932	123	2 500
Social Development	3 030	3 030	3 142	3 142	164	374
	184 092	233 021	272 159	222 244	15 546	22 656

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## NOTES

2024	2023
R'000	R'000

#### 31. Related parties

#### 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. Since 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 arm's length and are conducted 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 34 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 occur 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 committments

#### **SETAs**

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

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

# 31. Related parties (continued)

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

	2024		2023		
	R'0	00	R'0	000	
	Transfers in	Amount	Transfers in/	Amount	
	(out) during the	receivable/	(out) during the	receivable/	
Related Party	year	payable)	year	(payable)	
Receivables	3	2 001	15	2 000	
W&R Seta	1	124	-	124	
MICT Seta	-	25	-	25	
Inseta Seta	1	455	-	454	
Services Seta	-	3	-	3	
LG Seta	-	214	-	214	
ETDP	-	1 165	9	1 165	
CHIETA		9		9	
FASSET	1	6	6	6	
Payables	-	(1 239)	(491)	(1 450)	
Merseta	-	-	(2)	(211)	
MICT Seta	-	(11)	-	(11)	
Teta Seta	-	(422)	(346)	(422)	
Services Seta	-	(261)	(20)	(261)	
Food Beverage Seta	-	(4)	-	(4)	
Agri Seta	-	(5)	-	(5)	
MQA Seta	-	(92)	-	(92)	
Inseta	-	(3)	-	(3)	
CHIETA	-	(326)	(123)	(326)	
W&R Seta	-	(45)	-	(45)	
CETA	-	(70)	_	(70)	
Total		762	(476)	541	

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

### 31. Related parties (continued)

# **Discretionary projects**

Bankseta	-	274
ETDP Seta	4 400	4 400
	4 400	4 674

Universities, TVETs, CETs and Higher Health

Financial year 2024	Universities	TVETs	CETs	Higher Health	Total
Total receivables	-	-	-	-	-
Total commitments balance	88 883	4 726	68	-	93 677
Accounts payable	-	-	-	-	-

Universities, TVETs, CETs and Higher Health

Financial year 2023	Universities	TVETs	CETs	Higher Health	Total
Total receivables	-	-	-	-	-
Total commitments balance	118 069	29 077	198	9 983	157 327
Accounts payable	-	-	-	-	-

# 32. Reconciliation of net cash flow from operating activities to net surplus/(deficit)

Surplus	185 266	15 688
Adjustments for:		
Depreciation and amortisation	3 180	2 616
Debt impairment	4 400	-
Movements in operating lease assets and accruals	(1 191)	1 431
Movements in provisions	1 776	1 393
Interest income	(31 405)	(18 648)
Levy exempt provision - Current year	2 001	2 023
Levy exempt reversals	(1 370)	(1 207)
Other non-cash items	(1)	37
Changes in working capital:		
Inventories	(75)	85
Receivables from exchange transactions	(890)	(64)
Other receivables from non-exchange transactions	6 964	(5 316)
Statutory receivables	(137)	(32 537)
Prepayments	51	(254)
Trade and other payables - exchange transactions	2 959	(6 425)
Grants and transfers payable (non-exchange)	(16 246)	(13 485)
	155 282	(54 663)

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

#### 33. 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.

#### 34. Board remuneration

#### **Members remuneration**

2024

		Allowances	Travel and Subsistence Allowance		
Nomag	Decianation	Meeting Attendance and	Daimhurgamant	Callphone	Total
Names	Designation	Preparation R'000	Reimbursement R'000	Cellphone R'000	Total R'000
Dr NV Mnisi	Chairperson	293	55	13	361
Dr N Ndzwayiba	Board member	82	-	-	82
Mr SR Kgara	Board member	145	-	-	145
Dr JK Mothudi	Board member	177	2	7	186
Ms N Xulu	Board member	163	5	-	168
Ms TA Mbotshane	Board member	123	-	5	128
Dr LD Marutle	Board member	226	-	7	233
Ms BP Malope	Board member	168	23	-	191
Ms L Harie	Board member	198	8	-	206
Ms LP Duma	Board member	236	4	7	247
Dr S Kabane	Board member	191	3	-	194
Mr KS Sodidi	Board member	179	11	-	190
		2 181	111	39	2 331

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

### 34. Board remuneration (continued)

#### **Members remuneration**

2023

			Travel and Subsistence		
		Allowances	Allowance		
		Meeting			
		Attendance and			
Names	Designation	Preparation	Reimbursement	Cellphone	Total
		R'000	R'000	R'000	R'000
Dr NV Mnisi	Chairperson	294	39	13	346
Dr N Ndzwayiba	Board member	83	-	-	83
Mr SR Kgara	Board member	101	-	-	101
Dr JK Mothudi	Board member	164	-	7	171
Ms N Xulu	Board member	92	6	-	98
Ms DM Sebopa	Board member	3	-	-	3
Ms TA Mbotshane	Board member	116	-	7	123
Dr LD Marutle	Board member	237	-	7	244
Ms BP Malope	Board member	113	8	-	121
Ms L Harie	Board member	158	1	-	159
Ms LP Duma	Board member	148	-	7	155
Dr S Kabane	Board member	105	-	-	105
Mr C Mntwini	Board member	8	1	-	9
Mr KS Sodidi	Board member	5	-	-	5
		1 627	55	41	1 723

# **Independent Audit Committee member remuneration**

# 2024

			Travel and	
		Meeting and	Subsistence	
Names	Designation	Attendance	Allowances	Total
		R'000	R'000	R'000
Mr CG Higgins	Independent member/			
	Chairperson	185	1	186
Ms MI Mathatho	Independent member/			
	Deputy Chairperson	118	2	120
Mr W Carrim	Independent member	156	1	157
		459	4	463

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# **NOTES**

2024	2023
R'000	R'000

### 34. Board remuneration (continued)

Independent Finance, Remuneration and Tender Committee member remuneration

Names	Designation	Meeting Allowance	Travel and Subsistence	Total
		R'000	R'000	R'000
Ms Y Pamla	Independent co-opted			
	member	146	1	147

#### **Independent Audit Committee member remuneration**

2023

Names	Designation	Meeting and Attendance	Travel and Subsistence Allowances	Total
	Ţ.	R'000	R'000	R'000
Mr CG Higgins	Independent member/ Chairperson	116	1	117
Ms MI Mathatho	Independent member/ Deputy Chairperson -			
Mr W Carrim	2 months Independent member -	85	2	87
	2 months	94	1	95
		295	4	299

# Independent Finance, Remuneration and Tender Committee member remuneration

		Meeting	Travel and	
Names	Designation	Allowance	Subsistence	Total
		R'000	R'000	R'000
Ms Y Pamla	Independent co-opted			
	member	100		100

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

2024	2023
R'000	R'000

### 34. Board remuneration (continued)

### Senior management remuneration

2024

		Basic	Travel	Cell Phone	Bonus	Total
Names	Designation	R'000	R'000	R'000	R'000	R'000
Mrs E Brass	Chief	2 285	120	14	164	2 583
	Executive Officer					
Ms Z Mafata	Chief					
	Financial Officer	2 071	-	9	157	2 237
Mr AK Pardesi	Executive - Corporate					
	Services	2 076	12	9	198	2 295
Mr C Peters	Executive - Provincial					
	Offices	1 681	144	10	173	2 008
Mr SB Gcabashe	Executive - SDP	1 845	120	2	167	2 134
Ms BJ Motubatse	Executive - ETQA	1 634	120	4	150	1 908
Ms B Plaatjie	Executive - RIME	1 658	66	9	164	1 897
		13 250	582	57	1 173	15 062
2023						
Mrs E Brass	Chief Executive Officer	2 187	120	14	205	2 526
Ms Z Mafata	Chief Financial Officer	1 965	-	4	173	2 142
Mr AK Pardesi	Executive - Corporate					
	Services	1 969	12	10	193	2 184
Mr C Peters	Executive - Provincial					
	Offices	1 587	144	10	169	1 910
Mr SB Gcabashe	Executive - SDP	1 744	120	3	182	2 049
Ms BJ Motubatse	Executive - ETQA	1 544	120	5	147	1 816
Ms B Plaatjie	Executive - RIME					
Executive - RIME		1 569	66	11	160	1 806
		12 565	582	57	1 229	14 433

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### NOTES

2024	2023
R'000	R'000

#### 35. Reconciliation between budget information

Net surplus (deficit) per the statement of financial performance

Net surplus per the statement of financial performance	185 266
Participation on mandatory grants	2 381
Utilisation of reserves for discretionary grants	(226 831)
Underspending on administration expenses	171
	(39 013)
Under budget collection of revenue plus transfer of reserves	44 013
Net surplus per approved budget before capital expenditure	5 000

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

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

- 1. Actual interest received is higher than budget due to the higher interest rates. Furthermore, there were no withdrawals from the CPD account. The increase in the repo rate thus had a positive impact on the interest earned.
- 2. Levy income is higher than budget for both the skills development levy as well government levy receipts. For skills development levy current year receipts exceeded prior year receipts by 11.5%. Government levy income exceeded budget due to management's efforts to follow up and recover invoiced government levies resulting in a 24% positive variance.
- 3. While discretionary grant expenditure is 16% lower than budget, the actual expenditure of R479 million is considered a good achievement as the tranche payments are based on terms of the Memorandum of Agreement signed with HWSETA employers. The lower spend on discretionary grants is due to the change in the tranche payment structure to improve cash flow, prior year projects have reached completion as well as to some payments being withheld due to the forensic investigations during the year.
- 4. Actual lease rental is lower than budget due to the smoothing of lease amounts that are accounted for in the reported figures.
- 5. The external audit fees are higher than budget due to the overruns during the 2022/23 final audit. As a result the internal audit plan for the 2023/24 had to incorporate additional procedures to review managements action plans to address the 2022/23 qualification areas. This resulted in internal audit fees exceeding budget.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## NOTES

2024	2023
R'000	R'000

#### 35. Reconciliation between budget information (continued)

#### 6. General expenses

Included in general expenses are the following expenditure line items with high variances:

- 6.1 Branding
  - Branding costs were higher due to in-person events resuming and replacing virtual events post the COVID-19 pandemic.
- 6.2 Travel, subsistence and accommodation

The budgeting on this line item was conservative following the travel restrictions from the prior years. With travel restrictions being lifted, the expenditure was also impacted by the sharp increases in flight prices.

International travel costs for World Skills preparation and participation are also included in the expenditure reported.

#### 6.3 Water, electricity and rates and taxes

Water and electricity expense is higher due to increases in electricity and water tariffs levied by municipalities coupled with staff being back to full time office presence rather than working from home. Diesel charges were also levied by some landlords for backup power supplied during load shedding stages.

# 6.4 Workshops

Participation at workshops for the year under review was lower than anticipated resulting in expenditure being lower.

Financial year 2023/24	2023 -2024 Original Appro Budget at start of year	2023- 2024 Final Approved Adjusted Budg at end of year	Difference	2022-2023 Original Appro Budget at start of year	2022-2023 Final Approve Adjusted Budg at end of year
Levy income	658 186	676 144	17 958	590 728	620 931
Government levy contributions	180 005	188 489	8 484	183 318	184 253
Investment income - interest	15 778	22 000	6 222	30 834	15 098
Retention of surplus	-	139 953	139 953	-	188 000
Total income	853 969	1 026 586	172 617	804 880	1 008 282
Administration expenditure	185 449	201 586	16 137	169 900	179 034
Mandatory grants expenditure	105 293	120 000	14 707	95 993	99 333
Discretionary grants expenditure	559 227	700 000	140 773	535 857	717 915
Total expenditure	849 969	1 021 586	171 617	801 751	996 282
Surplus for the period	4 000	5 000	1 000	3 130	12 000
Less: capital expenditure	4 000	5 000	1 000	3 130	12 000
Surplus after capital expenditure	_	-	_	_	_

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

## **NOTES**

2024	2023
R'000	R'000

#### 35. Reconciliation between budget information (continued)

The adjustments to the original approved budget of 2023/24 (approved in March 2024) were made due to information available six months into the 2023/24 financial year. Certain assumptions that were made in the original budget were then reassessed, 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) Skills development levy was revised to take into account the improved revenue trends in the 2023/24 financial year. Furthermore, results of some hospital groups whose SDL contributions complies a significant portion of the revenue stream had shown a positive trading performance characterised by revenue and earnings growth. On the other had the inconsistencies presented by government department relating to payment of levy invoices resulted in a more conservative approach being adopted for the revenue stream.
- 2) At R31 million, the interest at the end of March 2024 is 56% above budget of R22 million and has also surpassed the annual budget of R12 million. This is largely due to most of the entity's funds invested with the SA Reserve bank in the Corporation for Public Deposits (CPD) account. The average interest rate increased from 4.9% to 8.37%.
- 3) Mandatory income follows the increase in Skills Development Levy income.
- 4) Administration budget was increased to cater for line items such as office leases, travel and accommodation, internal audit fees, water and electricity and branding. The overall administration expenditure is still within the 10,5% allowable as per Grant Regulations.
- 5) The budget for discretionary grant spending was increased. This increased expenditure was funded from the approved retention of surplus.

#### 36. Prior period errors

Incorrect balances were included in the grants and transfers payables and employer grant and project expenses. The error resulted in a decrease of employer grant and project expenses and grants and transfers payables. Creditors were incorrectly classified. The reclassification resulted in a decrease of trade pyables and general expenses.

Commitments were materially misstated and not accounted for in line with GRAP 1. The disclosure also included expired contracts. The mistatement affected recommitments and decommitments.

The root cause for the misstatements was identified and management embarked on a data cleansing process for both payables and commitments.

# AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

# NOTES

			2024	2023
			R'000	R'000
36.	Prior period errors (continued)			
	The correction of the error(s) results in adjustments as follows:			
	Statement of financial position			
	Grants and transfers payable		-	(15 963)
	Trade and other payables -Exchange transactions		-	(1 991)
	Statement of financial performance			
	Employer grant and project expenses		-	(17 490)
	General expenses		-	(464)
	Commitments note			
	Decrease in net commitments		-	(225 687)
			Increase/	
		2023	(decrease)	Restated 2023
	i	R'000	R'000	R'000
	Statement of financial position - extract			
	Liabilities			
	Current liabilities			
	Grants and transfers payables	71 160	(15 963)	55 197
	Trade and other payables - exchange transactions	5 027	(1 991)	3 036
	_	76 187	(17 954)	58 233
	Net assets and liabilities			
	Net assets			
	Reserves	309 120	17 954	327 074
	Total net assets and liabilities	385 307	-	385 307
			Increase/	
		2024	(decrease)	Restated 2024
	i	R'000	R'000	R'000
	Statement of financial performance - extract			
	Expenditure			
	Employer grants and project expenses 21	763 275	(17 490)	745 785
	General expenses	38 922	(464)	38 458
	Total expenditure	802 197	(17 954)	784 243
	(Deficit) surplus for the year	(2 266)	(17 954)	15 688



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NOTES			

# **Our Credo**

That in meeting the needs of creating a skilled workforce for the health and social development sectors in South Africa, and all others who use our services, everything we do, consistently, must be high quality, within Ethical boundaries. This commitment extends to everything we do to bring our services to the people who use them.



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