

energy and water sector education and training authority

ANNUAL REPORT 2010/2011



Annual Report of the Energy and Water SETA

1 April 2010 to 31 March 2011



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

VISION

To be the leading facilitator of world-class skills for energy and water.

MISSION

To facilitate skills development for energy and water sector stakeholders, through providing integrated, value-added education and training services.

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ADMINISTRATOR'S FOREWORD



Tsakani Matshazi
Administrator

It is with pleasure that I, as the Administrator and Accounting Authority of the Energy and Water SETA (EWSETA), present the Annual Report for the period 1 April 2010 to 31 March 2011 to the Honourable Minister and EWSETA stakeholders.

I was appointed as the EWSETA Administrator on 17 September 2010 in accordance with the provisions of Section 15 of the Skills Development Act, as amended. On the same day, the board and Constitution of the EWSETA were suspended, and I was given the task of acting as the Accounting Authority for the remainder of the financial year.

Introduction to EWSETA

The year under review was EWSETA's eleventh year of operation, having functioned in terms of the NSDS I (from 2000 to 2005) and NSDA II (from 2005 to 2011). An overview of EWSETA's performance is provided on page 71 to 76 of this Report.

EWSETA has a history of failing to deliver on its Service Level Agreement entered into with the DHET, receiving adverse audit opinions from the Auditor-General and significant governance failures. This contributed to the Minister's decision to place the EWSETA under Administration in terms of Section 15 of the Skills Development Act.

Section 15 Administration

At the beginning of the S15 Administration project, I identified the following challenges confronting EWSETA:

- Financial administration chaos, as evidenced by the adverse audit opinions issued by the Auditor-General

over the previous 5 years (2 disclaimer audit opinions, preceded by 3 consecutive qualified opinions). This meant that as at the beginning of the Administration project, there was no reliable financial information on which decisions could be based. There was no evidence of a budget or operational plans that had been approved by the Accounting Authority, such that there was no monitoring of expenditure against budget, operational plans or strategic plans.

- Leadership vacuum, with the organisation having had numerous CEO's and CFO's over the past few years. When the Administration project got under way, the CEO, Mr F Mankaye, had recently been dismissed after a lengthy disciplinary process, and the CFO had been dismissed during the previous financial year. Furthermore, the Administrator's assessment is that the management team had failed to work cohesively to further the interests of the organisation.
- Skills gaps amongst the employees, which is highlighted as an area of weakness in the various external reports, has manifested in EWSETA's failure to deliver on its mandate and SLA over a number of years.
- Low revenue base and limited funding capacity to adequately address all areas of the EWSETA mandate on both the energy and water sectors. The EWSETA is mandated to champion skills development in two sectors that are evolving at a rapid pace, with SDL contributions that are inadequate to address the new sets of skills that are required to effectively address the new areas that are growing in the energy and water sectors. The EWSETA therefore has to work more closely with its stakeholders to design, fund, implement, co-ordinate and monitor interventions that will address the skills requirements in both sectors.
- Weak Stakeholder management, which was demonstrated by the stakeholder's limited input into the draft Sector Skills Plan that was being prepared for submission to DHET on 30 September 2010, two weeks after the appointment of the Administrator.
- Perception of non-performance and corruption, which highlights the inadequacy of the operating policies and procedures, as well as the monitoring thereof.

- Significant legal processes under way, the outcome of which could have a material impact on the financial resources and reputation of the EWSETA, as noted in the Annual Report of the prior year

This analysis was confirmed by EWSETA stakeholders during the various interactions with the Administrator.

In response, I focused my work on the following areas:

- Address financial management crisis
- Address governance challenges associated with the composition of the board, the Constitution and internal policies and procedures
- Improve performance and delivery on the organisation's mandate

Financial Information

I am pleased to report the following achievements in this area:

- The key legal matters that resulted in the contingent liabilities previously reported on, have been successfully resolved
- Reliable monthly management accounts are now prepared and reviewed at EWSETA, for the first time in many years
- The work of reconstructing the balance sheet has been successful, with the Auditor-General giving an unqualified audit opinion on the 2010/2011 Annual Financial Statements. This is the first such opinion in a number of years

Whilst I welcome the Auditor-General's audit opinion, I am mindful of the matters that he has emphasised as requiring additional focus in the coming year.

Governance

The review of policies and procedures of the EWSETA commenced during the Administration period is still under way and should be completed during the first half of the 2011/2012 financial year.

One of the key duties of the Administrator was to facilitate the appointment of a new board for the EWSETA. I am pleased to report that with effect from 1 April 2011, the Minister appointed a new board for EWSETA. This new board, comprising 15 members that include an Independent Chairman, operates on the basis of a new Constitution for EWSETA. This new Constitution, drafted by the DHET and adopted by EWSETA

and its stakeholders, makes provision for enhanced governance structures at EWSETA.

The new board had its induction on 19 May 2011 and its first board meeting on 31 May 2011. I wish the new Chairman, Mr Senzeni Zokwana, and his fellow board members every good fortune as they lead the EWSETA in the years ahead.

Performance

Resulting from poor leadership and weak corporate governance, EWSETA consistently under-performed for a number of years against its set performance targets.

The EWSETA's new organisational structure has been successfully implemented, although there are some key vacancies that require urgent attention.

The organisation's Sector Skills Plan for the period 2011 to 2016 has been supported by sector stakeholders and conditionally approved by the DHET. Work required to improve the SSP is currently under way.

The continued support of sector stakeholders has created new hope for the EWSETA and presents valuable opportunities for the organisation to deliver on its mandate going forward

My sincere gratitude goes to all those that partnered with me during the Administration period. I am especially grateful for the support that I received from the EWSETA staff, the consultants with whom I worked, the members of the Audit and Risk Committee, colleagues at other SETA's as well as the leadership of the Department of Higher Education and Training.

I am pleased to have had the opportunity to make a contribution to the EWSETA and to the crucial skills development efforts of our country. I leave EWSETA with a sense of pride over our achievement and have no doubt that the new leadership will take the baton and lead EWSETA into an even better future.



Tsakani Matshazi
Administrator

31 July 2011

CHIEF EXECUTIVE OFFICER'S REVIEW



Mr. Phakama Nkosi
Acting Chief
Executive Officer

“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy”
~ Martin Luther King, Jr

There are essentially two types of people in this world, the pessimist and the optimist and nowhere are optimists more needed, than in leading organisations. Effective leaders are able to paint an optimistic vision of the future where achieving the organisation's best is indeed possible. They are able to see challenges as opportunities to be grasped.

One of the key leadership challenges that plagued EWSETA was the need to align the organisation to continue operations with minimal disruption, while simultaneously focusing on improving long-term capacity for substantial growth in line with addressing its legislated mandate.

The operational model that is steadily being introduced into the organisation does not only provide improvements in day-to-day operations but also offers the conditions for being a leading player in skills development for the Energy and Water sectors.

Enhancing Performance

“Our people are our strength...”

In previous Annual Reports several challenges were noted, such as disclaimer audit findings, poor performance, a

tarnished image and low staff morale, which affected the operations of EWSETA.

Due to the uncertainty on the quantum of commitment to projects by the previous Board, the 2011 Operational Plan was reviewed and no new commitments were made on discretionary funding during the financial year. The impact was that there was a real risk that EWSETA would not meet all its SLA targets for the year. The Administrator therefore, submitted a formal request to the DHET for EWSETA to be exempted from meeting some of its SLA targets.

Organisational Review

Among some of the interventions implemented to improve organisational performance, a Skills Consultation team was engaged to determine the skills level of the staff within EWSETA.

Based on the findings and recommendations of the Skills Consultation team, a forum representative of all Energy and Water Sector Stakeholders, endorsed the proposed organisational review and restructuring exercise and further mandated a Transitional Committee of stakeholders to work with the Administrator and the Acting CEO on implementation.

In order to align the process with the legal requirements, a formal notice and consultation process with staff together with the NEHAWU union representatives was conducted on 7 February 2011 on the proposed organisational review, with implementation timeframes agreed to. All positions on the new structure were advertised internally.

Staff applied for the various positions in numbers, proving that their commitment to EWSETA was still strong. The selection and appointment exercise ensued and was concluded on 30 April 2011, as a result of which 90% of the staff complement were successfully placed in new positions in the new structure. Employment contracts for those employees who were unsuccessful were legally terminated. It is envisioned that the recruitment process for the residual positions that could not be filled internally will commence after 1 May 2011 and proceed for a period of three months thereafter.

A critical component of sustainability is our optimistic approach to transformation, which has come out strongly in the restructure process much to the benefit of EWSETA and the Sector.

Our vision for transformation goes beyond compliance and performance scorecards – it's about making a positive difference in all the sub-sectors we serve.

Projects

We have successfully brought the joint EWSETA and NSF Loyiso Project to an administrative close, with the final report submitted to the NSF indicating incredible achievements against set targets. The joint Strategic Project with Coega is also in the process of being successfully brought to an administrative close with a Closure Report concluded for the records. Graduation ceremonies are being planned to honour the learners who participated and to mark the incredible achievements and success stories for these projects.

There was also a successful launch of the first Water and Sanitation New Venture Creation Entrepreneurship Project in the Nkomazi Municipality during November 2010. The project received extensive and positive media attention and coverage to the benefit of EWSETA's reputation and brand which had suffered considerably in the past.

The Enterprise Development Programme, in partnership with Productivity SA, in the Eden District and eThekweni Metropolitan Municipalities respectively, is more proof of EWSETA delivering on its mandate.

Several Learnership Agreements have been signed and implemented together with Skills Programmes allocations to address sector needs and SLA performance targets for the remainder of the financial period 2010 – 2011.

Management of Funds

There has been a concerted effort made by the SETA to settle all legitimate claims, however, not all claims have been finalised.

During the year under review, progress has been made to deal with findings raised by the Auditor-General from the past three financial periods.

The organisation has implemented policies and procedures to administer project administration costs in line with the Skills Development Levies Act. In the past there were no adequate policies and control measures to enable effective allocation of project costs to discretionary funds. This resulted in overbearing the already limited administration costs, which is one reason the SETA has exceeded the 12.5% limit on administration costs.

Financial administration and reporting has improved significantly at EWSETA. We are especially pleased with the positive outcome of the external audit process.

Sector Skills Plan (SSP)

The Sector Skills Planning (SSP) Department is responsible for ensuring that EWSETA develops qualifications and learning programmes that are appropriate for the skills needs of the energy and water sectors. This is achieved by conducting research into sector skills needs, as well as by evaluating Workplace Skills Plans and Annual Training Reports. The SSP Department also registers Skills Development Facilitators.



During this financial year, workshops were conducted country-wide with various stakeholders in the relevant sectors. It was at these workshops where the key strategic objectives were identified, which will deal with the sector skills developments needs and support the NSDS implementation.

Automation of Workplace Skills Plans (WSP) and Annual Training Reports (ATR)

In keeping with the vision of being an innovative organisation, a management decision taken to automate the submission of WSP's and ATR's by sector stakeholders was successfully put into effect. The MIS provider has undertaken to complete the automation process by end May 2011. Accordingly, SDF training workshops have taken place in five provinces to train all SDF's on how to use the system loaded onto our website, as well as how to complete these templates in time for the legislated 30 June 2011 submission date.

On-Going

EWSETA's mandate to facilitate skills development was extended by another 5 years, in line with the new SETA landscape. This resulted in some employers migrating to CETA and other employer codes joining the EWSETA. This will intensify the challenge of ensuring that EWSETA receives all the levies rightfully due to it, in terms of the statutory provisions.

A "Re-energised" SETA

It is with a renewed "energy" that EWSETA strides confidently into the new financial year, cognisant of the fact that it should never lose sight of the main reason it exists – to encourage and make a positive impact to the skills development within the energy and water sectors and to ensure that the National Skills Development Strategy (NSDS)III is fulfilled.

Whilst in the past this vision may have been blurred, it is now more than ever, extremely clear to the EWSETA management and staff that EWSETA has been given a lifeline and an opportunity to start showing truly outstanding results.

A deep sense of gratitude is extended on behalf of the EWSETA and all our stakeholders to the Honourable Minister of the Department of Higher Education and Training for believing that with the right guidance, leadership and strategy, a positive turnaround was possible. I would also like to thank the Administrator, leadership team and valuable stakeholders who gave of their time, support and advice – the future of EWSETA looks bright because of your unfailing commitment to making EWSETA work.



Mr. Phakama Nkosi
Acting Chief Executive Officer



DEPARTMENTAL AND COMMITTEE REPORTS





Mr. Siyolo Xotyeni
Acting ETQA Manager

Background and Mandate

The ETQA's function is to provide quality assurance on the learning material and the provision of learning in order to ensure that learners achieve the recognised and internationally comparable qualifications in accordance with the National Qualifications Framework (NQF).

To achieve and enhance this, great emphasis is placed on quality learning provision, quality assessment and moderation practices, as well as high quality verification or exit moderation.

The objective is to ensure that the EWSETA produce a skilled and competent labour force that will contribute effectively to the South African Economy, government initiatives as well become self employed through New Venture Creation initiatives.

South African Qualifications Authority Act (1995), (SAQA) Mandate

The EWSETA's mandate on ETQA matters as derived from the South African Qualifications Authority Act are:

- To ensure that Audits are conducted to providers to adhere to standards of best practice
- To ensure the accreditation of providers
- To ensure the registration of assessors and moderators
- To ensure learner achievements are uploaded into the National Learner Record Database (NLRD)
- To perform National Certification to all learners declared competent

Achievements

During the year under review the ETQA Department did not meet its mandate, however, we are pleased to report that the EWSETA retained:

- its green indicator status at the NLRD for compliance
- its green indicator status at the NLRD for performance
- its green indicator status from SAQA until 26 September 2011

The table below is a reflection of the deliverables by EWSETA ETQA:

Manpower Training Act 1981 Certificates – Current Year

The table depicts the total number of certificates issued

Section 13 Trade Tests (Construction) certification	93
Section 13 Trade Tests (Energy) certification	223
Section 28 Trade Tests (Construction) Certification	102
Section 28 Trade Tests (Energy) Certification	134
TOTAL	552

Assessors/Moderators/RPL Advisors Registered in Current Year

Assessors	322
Moderators	82
RPL Advisors/ Specialists	11

Accredited Providers In Current Year

New Accreditations	33
Monitoring Audits	95
Trade Test Centres	10

Department of Labour – Manpower Training Act 1981 – Licences

The table depicts the issuing of electrical engineering certificates (Construction)

Single Phase Testers	365
Installation Electricians/ Three Phase Testers	857
Master Installation Licences	16
Licence Certificates Issued	Total 1238

National Qualification Framework Certificates

The table depicts certificates that have been issued under the National Qualifications Framework that are unit standard based qualifications

National Certificate: Electrical Engineering NQF Levels 1 To 4	580
National Certificate: Power Plant Operations (Hydro, Fossil & Nuclear) NQF Levels 3 To 5	190
National Certificate Measurement Control & Instrumentation NQF Levels 2 To 4	17
National Certificate Water & Sanitation + Water Related Qualifications NQF Levels 2 To 4	387
National Certificate Network Control NQF Level 4	17
NQF Certificates Issued – Current Year	Total 1191

EWSETA ETQA Committee Members – Attendance Report April 2010 To March 2011

Representative	Constituency	Organisation	Meetings Annually	Meetings Attended	Race	Gender
M Nkome (Chairperson)	Employer	EDI Holdings	3	2	B	M
B Kennedy	Labour	SAEWA	3	3	W	M
K Goodsell	Labour	IMATU	3	2	W	M
A van Den Berg	Labour	Solideriteit	3	2	W	F
L Molapisi	Employer	ECA (SA)	3	2	B	F
N Du Plessis	Employer	AAEIBSA	3	2	W	M
G Nonyane	Employer	Rand Water	3	1	B	F
S Dykman	Employer	AMEU	3	2	W	F
L Mabiletsa	Labour	NUM	3	2	B	M
L Stewart	Employer	City Power	3	2	W	M
L Schutte	Employer	Eskom EAL	3	3	W	M
V Jele	Employer	Eskom GX	3	0	B	F
T Bowers	Employer	WISA	3	1	B	M
T Manzini	Labour	NUMSA	3	0	B	M
G Mokolobate	Employer	J Water	3	0	B	M
M Makwaeba	Government	DWA	3	0	B	M

Future Focus

In order to facilitate the delivery of NSDS III targets, the ETQA Department have identified the following key focus areas going forward

- Signing of MoA's with HET/FET institutions to implement work-placed based qualifications
- Signing SLA with Quality Council for Trades and Occupations (QCTO)
- Implementation of the NSDS III targets
- Enhance RPL processes
- Capacitating and Accreditation of public/private providers on critical and scarce skills programmes.

Background of Water Services Sector

The Water Chamber aimed at facilitating effective skills development for Water Services Sector stakeholders, through providing integrated, value added education and training support. The Chamber comprised of the following stakeholders:

- SALGA
- SAMWU
- WISA
- IMATU
- SAAWU
- DHS; and
- QLMDC

The Chamber has been under the following scope of the Industrial coverage:

SIC code	Industrial coverage
41300	Steam and hot water supply
42000	Collection, purification and distribution of water
42001	Public water enterprises: collection, purification and distribution of water, including potable water supply, domestic waste and sewage services, refuse and sanitation services
42002	Private water companies: collection, purification and distribution of water, including potable water supply, domestic waste and sewage services, refuse and sanitation services
42003	Irrigation boards: collection, purification and distribution of water, including potable water supply, domestic waste and sewage services, refuse and sanitation services
94003	Water and sanitation services (potable water supply, domestic waste water and sewage systems)

1. Source: Government Notices: Establishment of Sector Education and Training Authorities (SETAs) (11/11/2010)

Water Chamber has a responsibility to support skills development in the Water Services Sector. In addition, the EWSETA's SLA was informed by NSDS success indicators.

Achievements

- New Venture Creation Project successfully implemented

Challenges

The Water Chamber has been faced with a number of challenges, which severely impacted on the implementation of the operational plan. The following are key main challenges:

The portion of the skills development levy of Municipalities' water aspect is still being paid to Local Government SETA (LGSETA). The challenge posed by this amongst others is the fact that the skills

planning report on the water aspect of municipalities is submitted to LGSETA. As a result EWSETA does not have primary source data with regards to municipalities' skills planning and subsequently, EWSETA is not able to plan with scarce and critical skills list for municipalities. The gap was outlined by the conditionally approved five-year SSP (2011-2016). The consequences have been that the Water Chamber has not been able to adequately support the Municipalities and this was evidenced by lack of expected learning programmes interventions. This also impacted on budgeting for Municipalities in relations to water related skills support interventions.

- Low number of levy paying companies participating in Mandatory grants system.
- Slow accreditation of providers and also lack of learning materials
- Backlog in issuing of certificates

- No clear career pathing beyond NQF 4
- Poor communication with stakeholders

Remedial Action

- Review Memorandum of Understanding (MoU) with LGSETA and ensure effective monitoring and evaluation of the implementation thereof (this will ensure that challenges regarding municipalities' participation are addressed).
- Put mechanisms in place to improve on performance information (i.e. monitoring and evaluation strategy)
- Ensure that the Water Services Sector has an effective data base in place to ensure participation of all relevant stakeholders in the sector with a special strategy for supporting SMME's
- Ensure that targets are set properly as per the SETAs' strategic plan as informed by the sector skills research and most importantly as approved by the Board.

- Accelerate accreditation of providers and the issuing of certificates.
- Ensure there is qualification mapping in place to promote clear career pathing in the water services sector.

Performance Information for the Water Services Sector

The EWSETA Service Level agreement for 2010/2011 has informed the Operational Plan for Water Chamber for the period 1st April 2010 – 31 March 2011. The challenges mentioned above have drastically affected the Water Chamber performance for the period under review. This is consistent with the performance of the SETA.

The performance information for Water Chamber is incorporated into the EWSETA performance information report.



Learning Programmes



Mr. Tebogo Mmotla
Leainerships Manager

Background and Mandate

The EWSETA has a mandate to ensure that education, training and development takes place in the energy and water sectors through the disbursement of Discretionary Grants to implement learning programmes. In order to deliver on its mandate, the EWSETA established various committees to assist in facilitating programmes related to training. The EWSETA is required to comply with the objectives of the National Skills Development Strategy (NSDS), namely, to promote employability and sustainable livelihoods through skills development, assist unemployed people to acquire critical skills to enter the labour market and self-employment and, finally to promote and accelerate quality of training for all.

The EWSETA has since managed to achieve some of its targets contemplated in the SLA with the DHET.

The EWSETA acknowledges that there are still skills challenges in both the energy and water sectors. The energy sector's lack of qualified artisans and electricians is placing undue strain on the country's power resources; while the water sector is experiencing numerous difficulties associated with unskilled or semi-skilled personnel especially in the water plant operators' and process controllers' arena.

There are also systemic blockages, namely the fact that municipalities still pay their levies to our sister SETA, (LGSETA), renders the EWSETA to sit with an unfunded mandate and this has affected the performance of the EWSETA adversely.

During the year under review, the EWSETA engaged tirelessly with various bodies – including the Learnership Committee, Provincial Skills Development Forums, the Artisan Development Coordinating Committee, the Quality Learning Forum etc., to ensure that its objectives remain aligned with national priorities contemplated in the five priorities of Government through DHET, NSDS II (as extended), Industrial Policy Action Plan II, HRD-SA, Government Wide Framework on Monitoring and Evaluation and the New Growth Path.

The EWSETA persistently endeavoured to keep its stakeholders abreast and well informed of both internal and external developments Through workshops, meetings and open letters.

Achievements

- The training of permanent employees to provide the sector with a skilled workforce capable of tangible and meaningful contribution has always been central to the EWSETA's mandate. In this instance, the EWSETA's target of 500 full-time employees was well exceeded as 708 individuals were ultimately indentured in learning programmes and all of them completed these learning programmes and were certified.
- In addressing the challenges mentioned at the beginning of this report the EWSETA was tasked with the training of 500 unemployed youth but ultimately registered a total of 1,352 individuals to pursue careers as water plant operators, process controllers, community water and health facilitators and other pertinent water related avenues. Others chose to pursue careers as electricians and artisans in the energy sector. Of this number 1,327 young people completed their programmes and the majority have since been employed by Eskom, electrical contractors and municipalities whilst the remainder is still being assisted in completing their training. The backlog in certifying these youngsters is being addressed by the ETQA Department and the pace is satisfactory.
- Training and development of artisans is core to the EWSETA's overall mandate. In this regard the latter committed noteworthy resources to the training of 182 candidates all of whom were successfully registered and are currently being assisted in their chosen fields

of endeavour. This figure is in addition to the 1 897 artisans who qualified in previous years. In addition to this number there are 494 unemployed youth who completed learnerships and they are being assisted and prepared to write trade tests so that they can qualify as artisans.

- A need to train entrepreneurs in the energy and water sectors was identified as a top priority in combating unemployment and poverty in our communities and the EWSETA was tasked to train 52 young candidates to advance this cause, 40 young unemployed black youth were ultimately enrolled to pursue this target, from these 40 learners, four (4) companies have been established and registered, with each having 10 directors. This venture has taken place in Nkomazi Local Municipality, Mpumalanga Province. This venture

enjoyed the support of ABSA, Department of Human Settlement and Small Enterprise Development Agency (SEDA). Nkomazi Local Municipality has played a pivotal role in ensuring that these youngsters get practical exposure and their companies will be given work by the Municipality in future.

Conclusion

During the year under review, the EWSETA experienced challenges in meeting some of the targets as indicated in the report. The challenges ranged from inadequate planning, lack of pro-activeness to internal systemic issues. This was further complicated by the lack of strategic leadership. Finally the EWSETA was placed under Administration. It was during this Administration period that strategic planning and financial risk management were prioritised and the SETA is now back on track.

Registered Qualifications and Learning Programmes

The following qualifications and learning programmes have been developed, reviewed and re-registered with SAQA and DHET during the year under review:

Water Sector

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
1. FET: Water & Wastewater Reticulation NQF Level 2	60169	Registered	1. National Certificate in Water Reticulation NQF Level 2	Registered 08Q080050001242
			2. National Certificate in Waste water Reticulation NQF Level 2	Registered 08Q080050001242
2. FET: Water & Wastewater Reticulation NQF Level 3	60155	Registered	1. National Certificate in Water Reticulation NQF Level 3	Registered 08Q080047191243
			2. National Certificate in Wastewater Reticulation NQF Level 3	Registered 08Q080047191243
3. FET: Water & Wastewater Reticulation NQF Level 4	60189	Registered	1. National Certificate in Water Reticulation NQF Level 4	Registered 08Q080049221354
			2. National Certificate in Wastewater Reticulation NQF Level 4	Registered 08Q080049221354

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
4. FET: Water & Waste Water Treatment Operation NQF Level 2	58951	Registered	1. National Certificate in Water Treatment Operation NQF Level 2. National Certificate in Wastewater Treatment Operation NQF Level 2	Registered 08Q080059311362 Registered 08Q080058291362
5. FET: Water & Waste Water Treatment Operation NQF Level 3	60190	Registered	1. National Certificate in Water Treatment Operation NQF Level 3 2. National Certificate in Wastewater Treatment Operation NQF Level 3	Registered 08Q080075251383 Registered 08Q080072241383
6. FET: Water & Waste Water Treatment Operation NQF Level 4	61709	Registered	1. National Certificate in Water Treatment Process Control Supervision NQF Level 4 2. National Certificate in Wastewater Treatment Process Control Supervision NQF Level 4	Registered 08Q080048271664 Registered 08Q080046271664
7. FET: Community Water, Health, Hygiene & Sanitation Promotion NQF Level 2	61689	Registered	1. National Certificate in Community Water, Health, Hygiene & Sanitation Promotion (General) NQF Level 2 2. National Certificate in Community Water, Health, Hygiene & Sanitation Promotion (Sanitation Builder) NQF Level 2	Registered 08Q080051281272 Registered 08Q080054161272
8. FET: Community Water, Health, Hygiene & Sanitation Monitoring NQF Level 3	64589	Registered	1. National Certificate in Community Water, Health, Hygiene & Sanitation Monitoring (Sanitation Builder) NQF Level 3 2. National Certificate in Community Water, Health, Hygiene & Sanitation (General) Monitoring NQF Level 3 3. National Certificate in Community Water, Health, Hygiene & Sanitation Monitoring (SMME) NQF Level 3	Registered 08Q080052231303 In process of being Registered Registered 08Q080053241303

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
9.FET: Community Water, Health, Hygiene & Sanitation Facilitation NQF Level 4	61669	Registered	1. National Certificate in Community Water, Health, Hygiene & Sanitation Facilitation (Operation & Maintenance) NQF Level 4	Registered 08Q080056241484
			2. National Certificate in Community Water, Health, Hygiene & Sanitation Facilitation (Educator) NQF Level 4	Registered 08Q080057241484
			3. National Certificate in Community Water, Health, Hygiene & Sanitation Facilitation (NVC) NQF Level 4	Registered 08Q080055241484
			4. National Certificate in Community Water, Health, Hygiene & Sanitation Facilitation (General) NQF Level 4	In a process of being Registered
10. General Education & Training Certificate in Water Services (GETC) NQF Level 1	48495	Registered	GETC in Water Services NQF Level 1	Registered 08Q080039401261
11. NC: Industrial Water Treatment Support System Operations NQF Level 2	77163	Registered	National Certificate in Industrial Water Treatment Support System Operations NQF Level 2	Registered 08Q080078271285
12. NC: Community Water, Health & Sanitation Promotion (NVC) NQF Level 2	61689	Registered	National Certificate in Community Water, Health & Sanitation Promotion NQF Level 2	Registered 08Q080082291272
13. NC: Industrial Water Treatment Support System Operations NQF Level 3		Under Development		
14. NC: Industrial Water Treatment Support System Operations NQF Level 4		Under Development		

Energy Sector

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
15. FET: Measurement Control & Instrumentation NQF Level 2	74530	Registered	1. National Certificate in Measurement Control & Instrumentation NQF Level 2	Registered 08Q080073271332
16. FET: Measurement Control & Instrumentation NQF Level 3	74532	Registered	1. National Certificate in Measurement Control & Instrumentation NQF Level 3	Registered 08Q080074201203
17. FET: Measurement Control & Instrumentation NQF Level 4	74531	Registered	1. National Certificate in Measurement Control & Instrumentation NQF Level 4	Registered 08Q080076151344
18. FET: Measurement Control & Instrumentation NQF Level 5	49746	Registered	None	In a process of Development
19. FET: Power Plant Auxiliary System Operation (Nuclear, Fossil & Hydro) NQF Level 3	61549	Registered	1. National Certificate in Nuclear Power Plant Auxiliary System Operation NQF Level 3	Registered 08Q080067371203
			2. National Certificate in Fossil Power Plant Auxiliary System Operation NQF Level 3	Registered 08Q080060311203
			3. National Certificate in Hydro Power Plant Auxiliary System Operation NQF Level 3	Registered 08Q080063301203
			4. National Certificate in Fossil Power Plant Auxiliary System Operation (Non Eskom Plants) NQF Level 3	Registered 08Q080066321203
20. FET: Power Plant Operation (Nuclear, Fossil & Hydro) NQF Level 4	61569	Registered	1. National Certificate in Nuclear Power Plant Operation NQF Level 4	Registered 08Q080069321304
			2. National Certificate in Fossil Power Plant Operation NQF Level 4	Registered 08Q080064271304
			3. National Certificate in Hydro Power Plant Operation NQF Level 4	Registered 08Q080061291304

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
21. FET: Power Plant Process Control (Nuclear, Fossil & Hydro) NQF Level 5	61570	Registered	1. National Certificate in Nuclear Power Plant Process Control Operations NQF Level 5	Registered 08Q080070312415
			2. National Certificate in Fossil Power Plant Process Control Operations (Eskom Utilised Plants) NQF Level 5	Registered 08Q080065252415
			3. National Certificate in Fossil Power Plant Process Control Operations (Non Eskom Utilised Plants) NQF Level 5	Registered 08Q080077111415
			4. National Certificate in Hydro Power Plant Process Control Operations NQF Level 5	Registered 08Q080062312415
22. General Education & Training Certificate in Basic Technical Practice (GETC-Energy) NQF Level 1	49753	Registered	GETC in Basic Technical Practice (Energy) NQF Level 1	Registered 08Q08004481291
23.FET: Electrical Engineering NQF Level 2	73313	Registered	1. National Certificate in Electrical Engineering (Construction) NQF Level 2	Registered 08Q080031321562
			2. National Certificate in Electrical Engineering (Generation GX) NQF Level 2	Registered 08Q080026261433
			3. National Certificate in Electrical Engineering (Distribution DX) NQF Level 2	Registered 08Q080028391492
			4. National Certificate in Electrical Engineering (Transmission TX) NQF Level 2	Registered 08Q080044371632

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
24. FET: Electrical Engineering NQF Level 3	72051	Registered	1. National Certificate in Electrical Engineering (Construction) NQF Level 3	Registered 08Q080032261473
			2. National Certificate in Electrical Engineering (Generation GX) NQF Level 3	Registered 08Q080026261433
			3. National Certificate in Electrical Engineering (Distribution DX) NQF Level 3	Registered 08Q080029331273
			4. National Certificate in Electrical Engineering (Transmission TX) NQF Level 3	Registered 08Q080042301443
			5. National Certificate in Electrical Construction and Entrepreneurial (NVC) Learnership NQF Level 3	Registered 08Q080024271383
			6. National Certificate in Electrical Repairs (NVC) Learnership NQF Level 3	Registered 08Q080036281313
25. FET: Electrical Engineering NQF Level 4	72052	Registered	1. National Certificate in Electrical Engineering (Construction) NQF Level 4	Registered 08Q080033241544
			2. National Certificate in Electrical Engineering (Generation GX) NQF Level 4	Registered 08Q080027271474
			3. National Certificate in Electrical Engineering (Distribution DX) NQF Level 4	Registered 08Q080030351394
			4. National Certificate in Electrical Engineering (Transmission TX) NQF Level 4	Registered 08Q080043321694
26. FET: Electrical Network Control NQF Level 4	48978	Registered	NC: in Electrical Network Control NQF Level 4	Registered 08Q080037452024
27. FET: Electrical Network Control on Gas Turbine Plants NQF Level 4	48978	Registered	NC: in Electrical Network Control on Gas Turbine Plants NQF Level 4	Registered 08Q080038482144

Title/ Qualifications	SAQA ID	Status with SAQA	Learnerships	Status with DHET
28. NC: Energy Regulation NQF Level 5	63209	Registered	National Certificate in Energy Regulation NQF Level 5	Registered 08Q080081181215
29. FET: Electrical Network Power Dispatch Control NQF Level 5	57693	Registered	National Diploma in Electrical Network Power Dispatch Control NQF Level 5	Registered
30. NC: Radiation Monitoring NQF Level 3	49596	Registered	NC: Radiation Monitoring NQF Level 3	In the process of being Registered
31. FETC: Radiation Protection NQF Level 4	50329	Registered	FETC: Radiation Protection NQF Level 4	In the process of being Registered
32. NC: Radiation Protection NQF Level 5	57631	Registered	NC: Radiation Protection NQF Level 5	In the process of being Registered



A proud EWSETA graduation

Sector Skills Development and Planning



Ms. Lungile Tshabalala
Acting Sector Skills Development
and Planning Manager

Background and Mandate

The purpose of the department is to ensure participation of the stakeholders in identifying skills needs and planning arising there from. Furthermore, it is responsible for coordinating the development of the Sector Skills Plan (SSP) document, the development and signing of the Service Level Agreement (SLA) between the EWSETA and DHET and consolidating the performance reports against the SLA and the DHET Quarterly Monitoring Reports (QMR). The department is also responsible for the overseeing and implementation of special projects in collaboration with relevant SETA departments.

Sector Skills Plan

During the year under review, the EWSETA embarked on the process of developing the five year SSP document. This document which was developed, was conditionally approved by DHET.

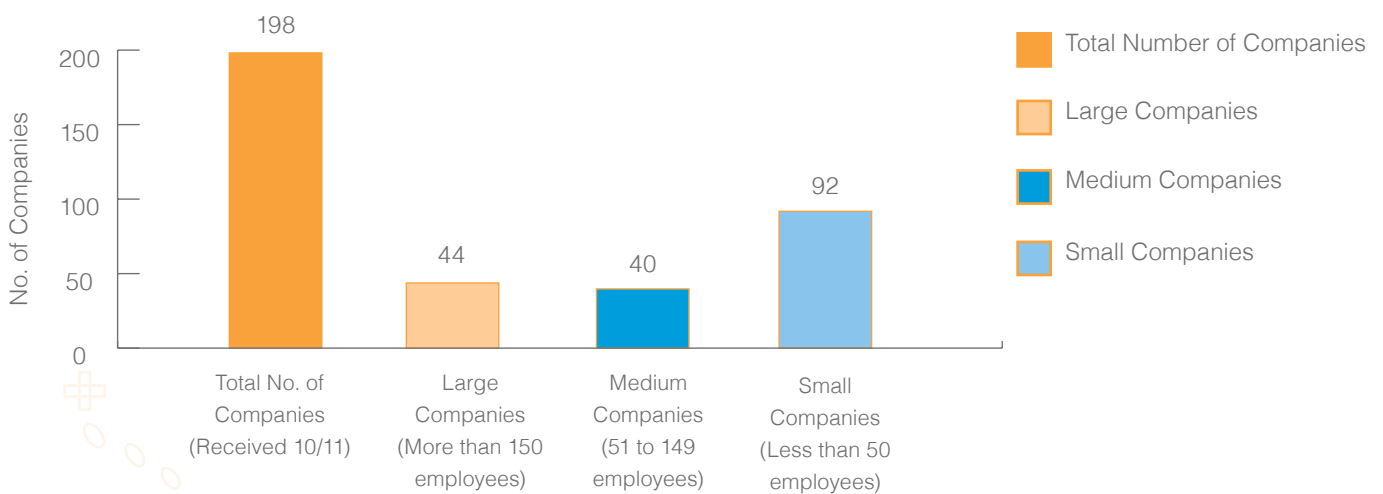
Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) submitted by the sector for the year 2010/2011

During the year under review, the EWSETA conducted a data clean-up to review the baseline of the companies registered

with EWSETA as per the Department of Labour file to establish a strategy maximising stakeholder participation in the submission of WSP/ATRs. This process was also to assist the SETA in their SSP development process. The department registered receipt of 198 WSPs/ ATRs in the year under review.

The breakdown of the WSP/ ATR received is as follows:

Category	Total Number	Energy Sector	Water Sector
Small firms	105	103	2
Medium firms	43	35	8
Large firms	50	31	19



Levy Grant Disbursement by Company size

Skills Development Facilitators / Sector Specialist Training

In the year under review, the EWSETA trained 154 SDFs/ Sector Specialists. The initiatives aimed at increasing SDFs/ Sector Specialists pool in both the energy and water sectors. The training will further assist by ensuring active participation of stakeholders in the EWSETA processes and ensure submission of quality documents such as WSP/ATRs, learnerships contracts and all application forms.

- Increased sales
- Reduced operational costs through speed and quality improvement
- Maximised profits

The BPIW was launched in November 2010, allowing targeted groups an opportunity to submit applications to participate in the programme.

EWSETA – Productivity SA Collaboration

During the year under review, EWSETA signed a collaborative MoA with Productivity SA to address the EWSETA SLA NSDS Target 2.2 and 2.5 to support the BEE firms, Cooperatives and the SMME's.

The programme targeted 100 learners which were selected from across the Eden District. The BPIW was advertised in local newspapers across the region. All information was forwarded to all B-municipalities where it is the responsibility of the municipality to advertise and promote the workshop. The Eden Council Officer of the Speaker also coordinated the interviews of the CEOs of both the EWSETA and Productivity SA on the implementation of this project. The project supported a total of 131 SMME and Cooperates.

The Business Performance Improvement Workshop

The Eden District Education Summit held on 14 August 2010 successfully managed to secure R11 million towards skills development and training in our region through the pledges made by SETA's present at the Summit. As part of the commitments made, the Energy & Water SETA has in collaboration with Productivity SA and the Eden District Council, implemented the Business Performance Improvement programme which was rolled out in the District in November 2010.

EWSETA – Department of Education North West

In the year under review the EWSETA in collaboration with DoE NW embarked on an Adult Based Education and Training (ABET) initiative to train 810 learners on Elconop II Skills Programme; 804 learners were trained. However, the training was not concluded due to the exit moderation outcome that found that the training did not meet the criteria.

The Business Performance Improvement Workshop (BPIW) is an action learning solution developed to assist Small and Micro Enterprises (SMME's) and Cooperatives to implement systems and procedures that will improve their performance. Through implementing these systems and procedures the company's performance will result in:

The EWSETA and the training provider are in the process of correcting the training to conclude the project such that it meets the necessary requirements and the learners are finally certified.

- Wastage elimination
- An Early Warning System (EWS) to detect distress prior to its arrival

Functional Committee Meetings

For the year under review, the Skills Development and Planning Department held 2 Functional Committee Meetings, SSP Committee Meetings and 2 Special Meetings. The SSP Functional Committee is represented as follows:

SSP Committee Representation Split

Organised Labour	Employers	Government Departments
1. National Union of Metalworkers SA (NUMSA)	1. ESKOM	1. Department of Water Affairs (DWA)
2. Mewusa	2. Electrical Contractors Association ECA (SA)	2. Department of Energy (DE)
3. SAMWU	3. City Power	
4. Solidarity	4. The Water Academy	
5. National Union of Mineworkers (NUM)	5. SA Association of Water Utilities (SAAWU)	
	6. Water Solutions Southern Africa (WSSA)	

SSP Functional Committee

Representative	Representing	Organisation	Meetings held including special meetings	Meetings Attended	Race	Gender	Status of Members and Attendance %
Kevin Treffry-Goatley	Employer	The Water Academy	4	1	White	Male	20% Absent with Apology
Nihabiseng Lebea)	Employer	SAAWU	4	1	African	Female	20% Absent with Apology
Stanford Chikane	Employer	SAAWU	4	2	African	Male	60% Absent with Apology
Xolani Xaba	Employer	WSSA	4	4	African	Male	100%
Tania Bowers	Employer	Eskom	4	3	Coloured	Female	80% Absent with Apology
Selina Velaphi (Alternate)	Employer	City Power	4	0	African	Female	0% Alternate Member
Lynn Mosenye	Employer	City Power	4	4	African	Female	100%
William Shika	Employer	ECA	4	0	White	Female	0% Unknown
Piet du Plooy	Labour	Solidarity	4	4	White	Male	100%
Nkrumah Kgagudi	Labour	Mewusa	4	4	African	Male	100%
Justice Sera	Labour	SAMWU	4	1	African	Male	20% Absent with Apology
Paulina Ndlela	Labour	NUMSA	4	1	African	Female	20% Absent with Apology
Ndlela Radebe	Labour	NUM	4	2	African	Male	60% Absent with Apology
Margate Matlala	Government	DWA	4	4	African	Male	100%
Costas Angelides	Government	DE	4	1	White	Male	20% Absent with Apology
Mojalefa Mashego (Alternate)	Government	DE	4	0	African	Male	0% Alternate
Millicent Rasekoala	EWSETA	EWSETA	4	4	African	Female	100%
Lungile Tshabalala	EWSETA	EWSETA	4	2	African	Female	60% Sick Leave
Yvonne Mbatha	EWSETA	EWSETA	4	4	African	Male	100%
Nokwanda Mpanza	EWSETA	EWSETA	4	4	African	Male	100%

Human Resource and Marketing



Ms. Lenor Käflien
Acting Human Resource
and Marketing Manager

The Financial year 2010/11 has been a challenging year for the EWSETA.

The fact that EWSETA was placed under Administration in early September 2010, caused uncertainty amongst employees. Adding to these qualms, resignations were streaming in from both senior management and staff.

At a Strategic session held in November 2010, the Administrator and the Management Team, sat jointly in re-aligning the organisation to ensure that it was more geared to be sector specific. The Organisation structure was amended accordingly and this was approved and adopted by all stakeholders. The re-structure was initiated in February 2011.

Resignation, Dismissals and Non-renewal of contracts

Name	Position	Reason and date for departure
Funamna Mankaye	CEO	Dismissed - September 2010
Nkosinathi Mkhize	HR & Marketing Manager	Resignation - December 2010
Rentia Solomon	Corporate Governance Man	Resignation - December 2010
Millicent Rasekoala	SSDP Manager	Resignation - December 2010
Nokwanda Mpanza	WC Co-ordinator	Non-renewal contract - January 2011
Yvonne Mbatha	SSP Administrator	Resignation - February 2011
Johann Swanepoel	ETQA Manager	Dismissed - February 2011

Remuneration Payments made to members of the Senior Management

Position	Basic Salary and other allowances	Pension contributions	Medical	Bonus	Total
CEO *	337,866	58,009	20,712	42,907	459,494
SSP Manager*	255,960	-	-	-	255,960
Learnerships Manager	494,332	25,319	98,923	42,251	660,825
ETQA Manager*	448,289	81,528	8,873	42,251	580,941
HR and Manager*	382,287	54,946	15,200	43,109	495,542
Corporate Governance Manager*	270,108	26,880	-	-	296,988
	2,188,842	246,682	143,708	170,518	2,749, 750

* Positions that left prior to financial year end

Employment Equity Status reported as at 31 March 2011

Designation	FEMALE				MALE				TOTAL
	Black	Coloured	Indian	White	Black	Coloured	Indian	White	
CEO	-	-	-	-	-	-	-	-	-
CFO	-	-	-	-	-	-	-	-	-
Manager/s	-	-	-	-	1	-	-	-	1
Accountant	1	-	-	-	-	-	-	-	1
P.A	-	-	1	-	-	-	-	-	1
Officers / Skilled Staff	1	-	1	-	2	1	-	-	5
Administrators	17	1	-	1	4	-	1	-	24
Receptionist	-	-	1	-	-	-	-	-	1
	19	1	3	1	7	1	1	-	33

- Of the total staff compliment 73% is female, of which 70% is black female

Marketing and Communications

Despite the challenges being faced by EWSETA internally, marketing and communications remained a strong focus during the year under review and included the use of conventional channels to educate, create awareness and interact with our valued stakeholders.

Annual Report 2009/2010

The 2009/2010 Annual Report formed an important communication tool in accounting not only to the Honourable Minister of Higher Education and Training but also to our stakeholders at large, in terms of EWSETA's performance, success in delivering on its mandate and state of affairs.

Electronic, print and television channels

With budgets having to be very closely monitored, EWSETA had to be particularly selective in the marketing channels used to convey important information to targeted audiences.

Optimising available platforms, our website remained central to the marketing and communication mix for both internal and external stakeholders and improvements were further made to allow for the website to be more interactive and user-friendly. In our constant effort to provide our stakeholders with innovative service, in the year under review EWSETA announced that the WSP/ATR submission process could be accessed electronically via our website. This new feature allows our stakeholders to capture, upload and submit their

annual WSP/ATR submissions by logging onto our website. To make the use of this new process easier for all Skills Development Facilitators and Training Officers responsible for Skills Development initiatives within the relevant sectors, training workshops were conducted by EWSETA nationally.

EWSETA continued to create an industry presence and expose our brand and services through print advertising via national publications, newspapers, magazines and marketing collateral such as Learnership pamphlets, flyers and brochures. The results of which have certainly given us a successful Return on Investment, given the number of enquiries we have had (both telephonic and via our website) in respect to skills development opportunities within the sectors of energy, water, wastewater and sanitation.

Television advertising remains a costly venture and EWSETA has had to be creative in how we went about securing television exposure, which we are happy to report was tremendously successful in the year under review. Through strategic communication plans in respect to a few of our special projects, EWSETA's marketing coverage included television across the African Continent, radio and electronic mediums.

Events, exhibitions, focus groups, career days and partnerships

In order for EWSETA to be truly effective, close interaction with our stakeholders (both internal and external) is imperative. Actively participating in exhibitions, skills development events, Government planned and endorsed events and

calling for focus groups and workshops, allows us to speak directly to our stakeholders giving us the enviable position to be proactive and forward-thinking, which in turn allows our Sector Skills Plan to be relevant and effective.

In the year under review EWSETA has participated in numerous events geared towards educating and engaging with our stakeholders.

Central to EWSETA is its people. With staff morale low and uncertainty permeating through the departments, employees were taken on their annual teambuild. The results of this event was a renewed sense of appreciation and worth for each staff member.

Public Relations

From a reputational point of view, particularly Pre-Administration, EWSETA has suffered considerably in the year under review with media scrutinising EWSETA's leadership and service delivery at every opportunity.

During the Administration period the Public Relation's focus shifted to enhancing the organisation's image and reputation in an effort to generate trust, confidence and integrity amongst stakeholders. In the new financial year, EWSETA plans to continue in this manner.

A Public Relations success during the year under review was with respect to the launch of the Water and Sanitation New Venture Creation Learnership Programme.

- As one of the main Strategic projects identified and implemented in the year under review, a targeted Public Relations campaign was undertaken in order to give the project and EWSETA the exposure and impetus required on a national level. The success of this campaign exceeded all expectations with media coverage secured on television channels *Africa Awakes (DSTV)*, *Sunrise (E-TV)* and *Morning Live (SABC 2)*. The Morning Live interview with the Acting CEO, Mr. Nkosi, was recorded and downloaded onto our website.
- Media coverage was also secured in major newspapers (nationally and regionally) and electronic news sites.

With the restructure having taken place and a new "energy" surging through the EWSETA corridors, the current Marketing Department is confident that over the next year, EWSETA will regain its reputation and market leader edge and that the next report will be representative of a SETA that has indeed made a positive turn for the better.



Launch of the Water and Sanitation New Venture Creation Learnership Programme

AUDIT AND RISK COMMITTEE REPORT



Audit and Risk Committee Report

We are pleased to present our report for the year ended 31 March 2011 as follows:

Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of the members listed hereunder, who are all independent, and is required to meet at least four times a year in terms of its approved terms of reference or charter.

During the year under review the following meetings were held:

Name of member	Number of meetings attended
Mr. J R Rapoo (Chairperson)	5
Mr C Ntumba	3
Ms R Moloto	2
Ms M Maponya	1

The Committee above was constituted during November 2010 after the Seta was placed under administration in terms of Government Gazette Number 33565 dated 17 September 2010. After the appointment of the new Board as the new Accounting Authority the following two members were added to the Committee to align it with the new constitution governing sector training authorities:

- Mr. M Mbambisa
- Mr. B Blignaut

Prior to the Seta being put under administration the Audit Committee comprised of the members listed hereunder, who met on three occasions:

Name of member	Number of meeting attended
Mr C Ntumba	3
Mr F Moloji	2
Ms M Dikotla	2
Adv. B Madumise	3
Mr S Sepeng	AP
Ms Z Siyotula	2

Responsibilities of the Audit and Risk Committee

The Committee reports that it has discharged its responsibilities as prescribed in the PFMA, Act 1 of 1999 as amended, and Treasury Regulations 27.1.8 and 27.1.10(b) and (c).

The Committee also reports that it has adopted appropriate formal terms of reference as its Charter and has regulated its affairs and discharged all its responsibilities in compliance therewith.

Effectiveness of Internal Controls

For successive financial years leading up to the inception of the Section 15 administration process by the Minister of Higher Education and Training, there were no effective or reliable internal control systems to provide reasonable assurance that, inter alia, the Seta's assets are safeguarded and that liabilities and working capital are managed efficiently.

In line with the requirements of the PFMA, the internal audit provides the Audit and Risk Committee and management with reasonable assurance that the internal controls are appropriate for the identified business risks. This is achieved by means of a risk based internal audit approach as well the suggestions of corrective actions and, if need be, suggestions for improvements to existing controls. Because the lack of reliable internal controls and processes prior to administration, risk-based internal audit processes could not be performed. Internal Audit was utilised on ad hoc assignments as requested by management.

Furthermore poor corporate governance practices and ineffectual leadership resulted in the Auditor General issuing disclaimers on the annual financial statements year after year. Based on this state of affairs, the Committee's immediate priority and focus was to assist the Administrator and the management team to stabilise the governance environment and put in place an effective system of internal control. It is the Committees view that the systems, so designed, provide a reasonable assurance that assets are safeguarded and that liabilities and working capital are managed efficiently. To this end, various policies were reviewed and recommendations for improvement, where necessary, were suggested and recommended for approval by the Accounting Authority:

Based on our review of these policies, our interaction with, and inputs from the Internal Audit service provider and the Auditor General, we are satisfied that corrective actions put in place will yield effective control systems.

Quality of management monthly and quarterly reports in terms of the PFMA

In light of the background on the historic weaknesses and challenges in terms of financial administration and governance mentioned above, no meaningful reports would have been produced by the Accounting Authority prior to the commencement of the Administration process. We are, however, satisfied with the quality and contents of reports presented during the course of the administration process.

Evaluation of the annual financial statements

The Audit and Risk Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, together with the reports of the Auditor General and the Accounting Authority;
- reviewed the Auditor General's management report and management's responses thereto;
- reviewed changes in accounting policies and practices; and,
- reviewed significant adjustments resulting from the audit.

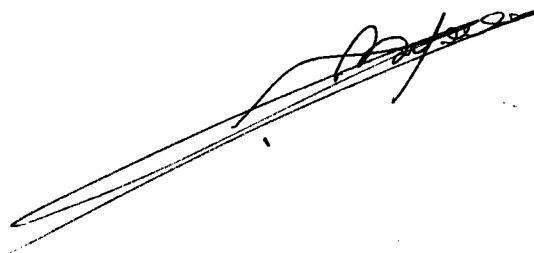
The Audit and Risk Committee concurs with, and accepts the Auditor General's conclusion on the annual financial statements. The Committee is of the opinion that the audited

annual financial statements, read together with the report of the Auditor general be accepted.

It is important to highlight that for the first time in many years the Auditor General has issued an unqualified audit opinion. The Committee, however, takes note of the Emphasis of Matters paragraph and will ensure that corrective action is taken by management.

Unresolved matters

The Audit and Risk Committee has met with the Auditor General South Africa who confirmed that there are no unresolved matters that would impact on the annual financial statements for the year under review.



J R Rapoo
Chairperson of the Audit and Risk Committee
Date: 29 July 2011

REPORT OF THE AUDITOR-GENERAL



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ENERGY AND WATER SECTOR EDUCATION TRAINING AUTHORITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Energy and Water Sector Education Training Authority (EWSETA), which comprise the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, and the accounting authority's report, as set out on pages 35 to 70.

Accounting Authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 14(6)(a) of the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Energy and Water Sector Education Training Authority as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the PFMA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

9. As disclosed in note 20 to the annual financial statements:
- EWSETA incorrectly paid value-added tax on discretionary grants to the value of R127 000,00 (2009-10: R6 240 000,00). The recoverability of this amount is uncertain.
 - EWSETA has an unclaimed amount of R1 235 681,00 (2009-10: R1 235 681,00) from the National Skills Fund. This amount will only be paid over when all the verification processes required to validate the expenditure have been conducted by the National Skills Fund.
 - EWSETA erroneously paid two employers who did not qualify for mandatory grants an amount of R337 221,31 during the current financial year. The probability of recovery is uncertain.
10. As disclosed in note 21 to the annual financial statements, EWSETA has been sued by a supplier for an amount of R322 000,00. The outcome of this litigation is uncertain.

Restatement of corresponding figures

11. I issued a disclaimer of opinion in the prior year auditor's report relating to the previous financial statements of EWSETA. Management conducted an extensive exercise to correct the prior year's misstatements by reconstructing the accounting records of EWSETA and submitting all relevant and appropriate audit evidence.
12. This resulted in a restatement of corresponding figures, as disclosed in note 18 to the annual financial statements.

Irregular expenditure

13. As disclosed in note 24 to the annual financial statements, EWSETA incurred irregular expenditure amounting to R8 668 000,00 (2009-10: R22 820 000,00). This irregular expenditure related to the procurement of goods from suppliers in contravention of the supply chain management rules as set out in the Treasury Regulations as well as the SDA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the PAA and in terms of General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 71 to 76 and material non-compliance with laws and regulations applicable to EWSETA.

Predetermined objectives

Presentation of information

15. The reported performance against predetermined objectives was deficient in respect of the following criterion:
16. Performance against predetermined objectives was not reported using the National Treasury guidelines. The following audit finding relates to the above criterion:
- Adequate explanations for major variances between the planned and the actual reported targets for objectives 2 and 4 were not provided, as required in terms of the relevant reporting guidelines.

Reliability of information

17. The reported performance information was deficient in respect of the following criteria:
- Accuracy: Amounts, numbers and other data relating to reported actual performance have been recorded and reported appropriately.
 - Completeness: All actual results and events that should have been recorded have been included in the annual performance report.

18. The following audit findings relate to the above criteria:
- For indicator 2.8, the evidence provided was not accurate and complete.

Compliance with laws and regulations

Strategic planning and performance management

19. The accounting authority did not ensure that the annual report was submitted to the executive authority within

five months of the end of the financial year, as required by section 55(d) of the PFMA.

Budgets

20. EWSETA's budget for 2010-11 was not submitted to the executive authority six months before the start of the financial year, as required by section 53(1) and 53(4) of the PFMA.

Procurement and contract management

21. Goods and services with a transaction value of between R10 000 and R500 000 were procured without inviting at least three written price quotations from prospective suppliers, as per the requirement of Practice Note 8 of 2007-08 issued in terms of section 76(4)(c) of the PFMA.

Annual financial statements, performance report and annual report

22. The accounting authority did not ensure that the financial statements submitted for auditing fairly presented the state of affairs of the public entity as well as its business, financial results, performance against predetermined objectives and financial position as at the end of the financial year concerned, in accordance with section 55(2)(a) of the PFMA.

Expenditure management

23. The accounting authority did not take effective and appropriate steps to prevent irregular as well as fruitless and wasteful expenditure as required by section 51(b) (ii) of the PFMA.
24. The entity contravened section 14(3)(b) of the SDA by expending more than 12,5% of the total levies received without approval of the director-general of the Department of Higher Education and Training.
25. The accounting authority did not approve the late submission of WSPs as required by section 6(2) of the SDA Funding Regulations.

Internal control

26. In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis of opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

27. The accounting authority did not exercise oversight responsibility over financial and predetermined objective reporting, compliance with laws and regulations as well as internal controls.

Financial and performance management

28. Management did not review the financial statements for completeness and accuracy prior to submission for auditing, as material adjustments were made to the annual financial statements.

Governance

29. Internal controls were not selected and developed to prevent and correct material misstatements in the reporting on financial information and predetermined objectives. Therefore, a large number of material corrections had to be processed in the financial statements submitted for audit purposes.

Auditor-General

Pretoria
31 July 2011



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annual Financial Statements For year ended 31 March 2011

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For year ended 31 March 2011

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REPORT OF THE ACCOUNTING AUTHORITY

For the Financial Year Ended 31 March 2011

Honourable Minister, it is with pleasure that the Accounting Authority presents to you the Annual Financial Statements of the Energy and Water SETA for the period 1 April 2010 to 31 March 2011.

Accounting Authority's responsibilities

The Accounting Authority is required to maintain adequate accounting records and is responsible for the preparation of Financial Statements that fairly present EWSETA's financial position at 31 March 2011, and also the Financial Performance and Summary Cash Flow Activities for the year then ended. The Financial Statements are prepared in conformity with South African Statements of Generally Accepted Accounting Practice (GAAP), Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (Act No 1 of 1999) as amended. Furthermore, the financial statements are based upon appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgements and estimates.

The Accounting Authority is ultimately responsible for setting standards for the system of internal controls, including the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of powers.

Nature of business

The Energy and Water Sector and Training Authority ("EWSETA") is a Schedule 3A Public Entity, as per the Public Finance Management Act, 1999 and is established in terms of the Skills Development Act, 1998.

The EWSETA operates under the Executive Authority of the Minister for Higher Education and Training.

Section 15 Administration

Due to a number of governance, financial reporting and performance failures, the Minister for Higher Education and Training, placed the EWSETA was under Administration in accordance with the provisions of Section 15 of the Skills Development Act, on 17 September 2010. The effect of this

action was that the board and Constitution of the EWSETA were suspended and an Administrator was appointed to act as the Accounting Authority of the EWSETA for the remainder of the financial year.

During the last six months of the financial year, the Administration designed and implemented a turn-around strategy that focused on addressing the problems related to governance, financial administration and organisational performance.

Governance

For the first six months of the year, the board of EWSETA served as its accounting authority. This board was suspended by the Minister of Higher Education and Training on 17 September 2010, and replaced with an Administrator. On the same date, the Minister also suspended the Constitution of EWSETA.

During the S15 Administration period, the Administrator appointed an Audit and Risk Committee, which comprises five independent members and including its Chairman.

The members of the Audit and Risk Committee are:

- Jeff Rapoo (Chairman)
- Cedric Ntumba, CA (SA)
- Ramasela Moloto, CA (SA)
- Makole Maponya, CA (SA)

With effect from 1 April 2011, the Minister appointed a new board for EWSETA. This new board, comprising 15 members that include an Independent Chairman, operate on the basis of a new Constitution for EWSETA. This new Constitution makes provision for enhanced governance structures at EWSETA.

Financial reporting

EWSETA's annual financial statements for the years ended 31 March 2009 and 31 March 2010 received disclaimer audit opinions from the external auditor, who had also issued qualified audit opinions on the financial statements for the preceding three year. The external auditor highlighted the key factors contributing to his audit opinion as:

- Missing documentation
- Lack of leadership in the organisation
- Lack of skills in the finance team
- Internal control deficiencies
- Inadequate oversight by the Accounting Authority

During the S15 Administration period, these challenges have been remedied as follows:

- External consultants were appointed to provide leadership and operational capacity in the finance department
- An Acting CEO was appointed on a temporary basis
- The annual financial statements for the year ended 31 March 2010 were re-constructed, with reference to the supporting documentation that was available
- The delegations of authority were amended to provide for more centralised-decision making on operational and financial matters

Performance

In previous years, EWSETA has not met its performance targets as detailed in its Service Level Agreement with the Department for Higher Education and Training.

During the current financial year, the performance was negatively impacted as no new projects requiring discretionary grant funding were awarded during the S15 Administration period. This decision has allowed the organisation to plan better for the future, with certainty on its financial position.

EWSETA's achievements in terms of NSDS II targets are reflected on pages 71 to 76.

The Accounting Authority is confident that the new organisational structure, planning processes and reporting structures will contribute to improved performance by the organisation.

Members of the Accounting Authority

The members of the EWSETA Board Authority during the year are:

Name	Constituency represented
Kennedy B	Labour
Radebe N	Employer
Mabiletsa L	Labour
Khan R.U	Employer
Kgagudi N	Labour
Makubu U	Employer
Mashego P	Employer
Mohapi T	Labour
Van Den Berg	Labour
Mogadime B	Government
Bowers T	Employer
Lengoalaba T	Labour
Mathibela P	Employer

With effect from 17 September 2010, the board was suspended and replaced by an Administrator, Tsakani Matshazi.

Disclosure of Remuneration

In accordance with Treasury Regulation 28 and the PFMA, the Accounting Authority discloses remuneration in respect of all members of the Accounting Authority and the senior management below:

Consistent with prior years, no remuneration was paid to members of the Accounting Authority or any of the sub-committees of the board, save for members of the Audit and Risk Committee.

Payments made to members of the Audit and Risk Committee during the year are as follows:

Position	Fees	Pension contributions	Medical	Bonus	Total
Chairperson	30,000	-	-	-	30,000
Members	29,988	-	-	-	29,988
TOTAL	59,988	-	-	-	59,988

Payments made to members of Senior Management during the year are as follows:

Position	Basic Salary and other allowances	Pension contributions	Medical	Bonus	Total
CEO *	337,866	58,009	20,712	42,907	459,494
SSP Manager*	255,960	-	-	-	255,960
Learnerships Manager	494,332	25,319	98,923	42,251	660,825
ETQA Manager*	448,289	81,528	8,873	42,251	580,941
HR and Manager*	382,287	54,946	15,200	43,109	495,542
Corporate Governance Manager*	270,108	26,880	-	-	296,988
TOTAL	2,188,842	246,682	143,708	170,518	2,749, 750

- The CEO was dismissed by the board on 10 September 2010
- The ETQA manager was dismissed on 28 February 2011
- The HR and Marketing Manager resigned with effect from 24 December 2010
- The Corporate Governance Manager resigned with effect from 24 December 2010
- The SSP Manager resigned with effect from 24 December 2010

Going concern

The Accounting Authority is of the opinion that EWSETA will continue as a going concern for the foreseeable future. The following reasons have formed the basis for the Accounting Authority's conclusion:

- EWSETA has been re-licensed for the five-year period from 1 April 2011 to 31 March 2016;
- EWSETA budgets and underlying operational plans for the year ending 31 March 2012 confirm that the organisation will be able to operate over the next 12 months;
- The financial position of the organisation as at 31 March 2011; and
- EWSETA has adequately addressed the key contingent liabilities that may have arisen out of legal matters that were under way at the beginning of the financial year.

Auditors

The Auditor-General of South Africa is the external auditor of EWSETA, and is responsible for independently reviewing and reporting on the Group's annual financial statements.

Subsequent Events

The following non-adjusting event occurred subsequent to 31 March 2011:

- The new board of EWSETA was appointed by the Minister, with effect from 1 April 2011



Phakama Nkosi
Acting Chief Executive Officer

31 May 2011



Senzeni Zokwana
Chairperson

31 May 2011

- The EWSETA was re-licenced by the Minister, for a five-year period ending 31 March 2016.

Approval

The annual financial statements set out on pages 35 to 70, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 May 2011, and were signed on its behalf by:

	Note	2010/11 R'000	RESTATED 2009/10 R'000
REVENUE			
Non-Exchange Revenue			
Skills Development Levy: income	3	152,553	147,208
Skills Development Levy: penalties and interest	4	960	759
Exchange Revenue			
Investment income	5	6,790	6,486
Other income	6	4,705	356
Total revenue		165,008	154,809
EXPENSES			
Employer grant and project expenses	7	(112,616)	(106,095)
Administration expenses	8	(24,983)	(18,832)
NET SURPLUS FOR THE YEAR	2	27,409	29,882

	Note	2010/11 R'000	RESTATED 2009/10 R'000
ASSETS			
Current assets		182,816	149,256
Trade and other receivables from non-exchange transactions	13	255	285
Trade and other receivables from exchange transactions	13	642	597
Inventory	14	58	76
Cash and cash equivalents	15	181,861	148,298
Non-current assets		714	987
Property, plant and equipment	10	222	369
Intangible Assets	11	295	535
Long term deposit	12	197	83
Total Assets		183,530	150,243
LIABILITIES			
Current liabilities		53,766	47,888
Trade and other payables from non-exchange transactions	16	47,990	37,817
Trade and other payables from exchange transactions	16	2,310	2,071
Funds received in advance	16	3,464	8,000
NET ASSETS		129,764	102,355
Administration reserve		517	904
Employer grant reserve		87	161
Discretionary reserve		129,160	101,290
Total Net Assets		129,764	102,355

	Administration reserve	Employer grant reserve	Discretionary Grant reserve	Unappropriated surplus/(deficit)	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2009	1 298	8 155	45 797	-	55 250
Prior error adjustment		-	17 223	-	17 223
Net surplus/(deficit) per Statement of Financial Performance	-	-	-	29 882	29 882
Allocation of unappropriated surplus/(deficit)	1 214	13 928	14 740	(29 882)	-
Excess funds transferred to/(from) Discretionary fund	(1 608)	(21 922)	23 530	-	-
Balance at 31 March 2010	904	161	101 290	-	102 355
Net surplus/(deficit) per Statement of Financial Performance	-	-	-	27 409	27 409
Allocation of unappropriated surplus/(deficit)	(4 794)	14 148	18 055	(27 409)	-
Excess funds transferred to/(from) Discretionary fund	4 407	(14 222)	9 815	-	-
Balance at 31 March 2011	517	87	129 160	-	129 764

The administration reserve is a provision for the carrying value of property, plant and equipment and intangible asset. The mandatory grant reserve is a provision for newly registered companies participating after the legislative cut-off date.

	Note	2010/11 R'000	RESTATED 2009/10 R'000
Operating activities			
Cash receipts from stakeholders		158 108	149 005
Levies, interest and penalties received	3	152 553	147 208
Other cash receipts from stakeholders		5 555	1 797
Cash paid to stakeholders, suppliers and employees		131 217	107 739
Grants and project payments		108 012	105 677
Special projects		4 605	418
Compensation of employees		9 673	8 713
Payments to suppliers and other		8 927	(7 069)
<i>Cash generated utilised in operations</i>	17	26 891	41 266
Interest Received	5	6 790	6 486
Net cash outflow/(inflow) from operating activities		33 681	47 752
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(73)	(98)
Purchase of intangible assets	11	(45)	(208)
Net cash (outflow) from investing activities		(118)	(306)
Net (decrease)/increase in cash and cash equivalents		33 563	47 446
Cash and cash equivalents at beginning of year	15	148 298	100,852
Cash and cash equivalents at end of year		181 861	148 298

	Note	Initial Budget 2010/11 R'000	Actual 2010/11 R'000	Difference 2010/11 R'000
REVENUE				
Skills Development Levy: income from non-exchange transactions	a	177,269	152,553	(24,716)
Skills Development Levy: penalties and interest from non-exchange transactions		-	960	960
Special projects income		-	4,536	4,536
Investment income		6,723	6,790	67
Other income		352	169	(183)
Total revenue		184 344	165 008	(19 336)
EXPENSES				
Employer grant expenses		159,861	108,011	51,850
Administration expenses		21,8243	24,983	(3,160)
Special project expenditure		-	4,605	(4,605)
Total expenses	b	181 684	137 599	44,085
NET (DEFICIT) SURPLUS FOR THE YEAR		2,660	27,409	24,749
ASSETS				
Non-current assets				
Additions Fixed Assets		83	73	10
Additions Intangible Assets		11	45	(34)
Total non-current assets	c	94	118	(24)

Analysis of variances:**a Revenue**

Levy income received during the current year is significantly lower than the budgeted amount. However the current amount is 4% higher than last year which means that the budget was optimistic.

b Expenses

The expenses are lower than budget mainly due to lower mandatory grants (in line with lower levy income)

c Assets

Assets are higher on intangibles assets due to the automation of the Management Information System

1 ACCOUNTING POLICIES

1.1 Basis of preparation

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

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

1.2 Presentation Currency

These annual financial statements are presented in South African Rand, which is the functional currency of the SETA.

1.3 Revenue recognition

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

1.4 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 EWSETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS).

Eighty percent (80%) of skills development levies are paid over to the EWSETA (net of the 20% contribution to the National Skills Fund).

Skills Development Levy (SDL) transfers are recognized when it is probable that future economic benefit will flow to the Seta and these benefits can be measured reliably. This occurs when the Department of Labour (DoL) either makes an allocation or payment, whichever occurs first, to the Seta, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999). The SDL transfer is measured at the fair value of the consideration receivable or received.

A SARS receivable/payable is recognised for levies received as well as estimated SARS adjustments. An estimate due to retrospective adjustments by SARS is calculated by comparing the amounts paid by the Employers to SARS and the amounts received from DoL. Changes to prior year estimates are accounted for in revenue in the current period. Levies received from organisations whose payroll is less than R500k per annum is not recognised as income.

The EWSETA Seta refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the EWSETA 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, at the fair value of the consideration receivable or received.

Revenue is adjusted for inter EWSETA transfers due to employers changing Seta's. Such adjustments are separately disclosed as InterSeta transfers. The amount of the interest adjustment is calculated according to the Standard Operating Procedure issued by the Department of Labour issued in June 2001.

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

1.5 Interest and penalties

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

1.6 Government Grants

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

1.7 Investment income

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

1.8 Grants and project expenditure

A registered company may recover a maximum of 50% 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).

Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed upon cut-off period and the application has been approved as the payment then becomes probable.

Discretionary grants & Project Expenditure

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

Project expenditure comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the EWSETA 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 at the fair value of consideration received or receivable for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

1.9 Retrospective adjustment by SARS

The Seta refunds amounts to the employers in the form of grants, based on the 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 amounts the Seta is permitted to have granted to employers. A receivable relating to the overpayments to the employer in earlier periods is raised as the amount of such grant over payment, net of bad debts and provision for irrecoverable amounts.

1.10 Irregular and fruitless and wasteful expenditure

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

- The PFMA,
- The Skills Development Act,
- The Materiality and Significance Framework approved by the EWSETA Council

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense and disclosed in a note in the financial statements when it has been identified.

1.11 Property, plant and equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Seta and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Depreciation

Depreciation is recognised in surplus or deficit on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life unless it is reasonable certain that the Seta will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

- Computer equipment	3 - 6 years
- Office furniture and fittings	5 - 10 years
- Office equipment	5 - 10 years

The depreciation method, useful lives and residual values of items of property, plant and equipment are reviewed annually and altered if circumstances or expectations have changed significantly.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in surplus or deficit.

Intangible Assets

Intangible assets is stated at cost less any subsequent accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is recognised in surplus or deficit on a straight-line method over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life for the current and comparative periods is as follows:

- Computer software	3 - years
- Website development	3 - years

The amortisation method and useful lives of items of intangible assets is reviewed annually and altered if circumstances or expectations have changed significantly.

Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in surplus or deficit.

1.12 Leasing

Leases in terms of which the Seta assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and the leased assets are not recognised on the Seta's Statement of Financial Position.

The EWSETA as a lessee

Assets held under finance leases and the corresponding liability are initially recognised at their present value of the minimum lease payments at the date of acquisition. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the estimated present value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight line basis over the period of the lease. Lease incentives received are recognised as an integral part of the total expense, over the term of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

1.13 Impairment

1.13.1 Impairment of Non-financial assets

The carrying amounts of the Seta's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13.2 Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in surplus or deficit.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in surplus or deficit.

1.14 Provisions

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

1.15.1 Provision for employee entitlements

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

1.15.2 Short term employee benefits

The cost of short term employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements to annual leave and long-service leave are recognised when they accrue to the employee. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the Statement of Financial Position date. The provision has been calculated at undiscounted amounts based on current salary rates.

1.15.3 Termination Benefits

Termination benefits are recognised and expensed only when payment is made.

1.15.4 Post Employment Benefit Costs

No provision has been made for retirement benefits as the EWSETA does not provide for retirement benefits of its employees.

1.15.5 Medical Benefits

The EWSETA provides medical benefits for all its employees through defined contribution plans. Payments to the fund are charged as an expense as they fall due.

1.15.6 Provident Fund Benefits

The EWSETA provides for a Provident Fund for all its employees through a defined contribution plan. Payments to the fund are charged as an expense as they fall due.

1.16 Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the EWSETA's Statement of Financial Position when the EWSETA becomes a party to the contractual provisions of the instrument.

Measurement

Financial instruments are initially measured at fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset/liability. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The EWSETA's principle financial assets are accounts and other receivable and cash and cash equivalents.

Accounts and other receivables

Accounts and other receivables are measured at amortised cost using the effective interest rate method. Impairment losses are recognised in an allowance account where the carrying value exceeds the present value of estimated future cash flows discounted the original effective interest rate.

Cash and cash equivalents

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

Financial liabilities

The EWSETA's principal financial liabilities are accounts and other payables.

All financial liabilities are measured at amortised cost, comprising original debts less principle payments and amortisations.

Derecognition

A financial asset or a portion thereof is derecognised when the EWSETA realises the contractual rights to the benefits specified in the contract, the rights expire, the EWSETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, 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 Net Assets 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 derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in net surplus or deficit for the period.

Fair value considerations

The fair values at which financial instruments are carried at the Statement of Financial Position date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values have been estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the EWSETA could realise in the normal course of business. The carrying amounts of financial assets and financial liabilities with a maturity of less than one year is based on cost as fair value due to the short-term trading cycle of these items.

Offsetting

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

1.17 Net Assets

Net Assets is sub-classified in the Statement of Financial Position between the following reserves:

- Administration reserve
- Employer grant reserve
- Discretionary grant reserve
- Accumulated surplus

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

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:

	2010/11 %	2009/10 %
Administration costs of the Seta	10	10
Employer Grant Fund Levy	50	50
Mandatory Workplace Skills Planning Grant	50	50
Mandatory Workplace Skills Implementation Grant	0	0
Discretionary grants and projects	20	20
	80	80

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

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects.

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

The transfer between reserves is as per the stipulation in the Skills Development Act which requires surplus fund from administration reserves and any unclaimed mandatory grants to be transferred to the discretionary grant reserve and is done on the accrual basis of accounting.

1.18 Inventory

Inventory is stated at the lower of cost or net realisable value. Cost is determined on a first-in-first out basis.

1.19 Related Party Transactions

The Seta operates in an environment currently dominated by entities directly or indirectly owned by the South African Government. As a result of the constitutional independence of the three spheres of Government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Related party transactions comprise the members of the Council and senior management. Transactions with related parties are in the normal course of business and are on arms length basis.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the Seta. We regard all individuals from the level of executive management up to the Council as key management per the definition of SA GAAP.

Close family members of key management personnel are considered to be those family members who may be influenced or be influenced by key management individuals in their dealings with the Seta.

1.20 Contingencies

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury ,should an application for retention of surplus funds be denied. A submission to retain surplus funds has been made to the National Treasury.

1.21 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.22 Estimates on levies and related transactions

1.22.1 In absence of actual levy information from DHET, levy income is allocated in line with the Skills Development Act, 1998 (Act No. 97 of 1998) as amended:

	2010/11	2009/10
Administration costs of the SETA	10%	10%
Mandatory Grants	50%	50%
Discretionary Grants and Projects	20%	20%
SETA portion of the Skills Development levies	80%	80%

1.22.2 Inter-Seta transactions, and information on newly registered companies, participating after the legislative cut-off date, is based on actual information available at year-end.

1.22.3 Mandatory grant expenditure is based on actual information receive from DHET or estimated based on most recent pay-out history.

2 ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES: 2010/11

2010/11

	Total per Statement of Financial Performance		Administration reserve		Employer grants reserve			Discretionary reserve			
	R'000	R'000	Mandatory grant	Mandatory skills implementation grant	Total	Discretionary grants	Special projects	Total discretionary	R'000	R'000	R'000
Total revenue	165 008	20 189	94 517	-	94 517	45 766	4 536	50 302			
Skills development levy: income											
Administration levy income	20 020	20 020	-	-	-	-	-	-			
Mandatory grant levy income	94 517	-	94 517	-	94 517	-	-	-			
Discretionary grant levy income	38 016	-	-	-	-	38 016	-	38 016			
Skills development levy: penalties and interest	960	-	-	-	-	960	-	960			
Investment income	6 790	-	-	-	-	6 790	-	6 790			
Other Income	4 705	169	-	-	-	-	4 536	4 536			
Total expenses	137 599	24 983	80 369	-	80 369	27 642	4 605	32 247			
Administration expenses	24 983	24 983	-	-	-	-	-	-			
Special projects	4 605	-	-	-	-	-	4 605	4 605			
Employer grants and project expenses	108 011	-	80 369	-	80 369	27 642	-	27 642			
Net surplus per Statement of Financial Performance allocated	27 409	(4 794)	14 148	-	14 148	18 124	(69)	18 055			

A Seta may not, in terms of section 14 (3) of the Skills Development Act, without prior written approval of the director general, use more than 12,5% of the monies it received in terms of the Skills Development Act to pay for its administration cost. The exceeded the limit on its administration expenditure and has received approval to exceed the budget by R1 596 000.

2009/10

	Total per Statement of Financial Performance		Administration reserve		Employer grants reserve			Discretionary reserve		
			Mandatory skills planning grant	Administration reserve	Mandatory skills implementation grant	Mandatory skills planning grant	Discretionary grants	Special projects	Total discretionary	
Total revenue	154 809	20 046	91 133	20 046	-	91 133	43 630	-	43 630	
Skills development levy: income	19 690	19 690	-	19 690	-	-	-	-	-	
Administration levy income	91 133	-	91 133	-	-	91 133	-	-	-	
Mandatory grant levy income	36 385	-	-	-	-	-	36 385	-	36 385	
Discretionary grant levy income	759	-	-	-	-	-	759	-	759	
Skills development levy: penalties and interest	6 486	-	-	-	-	-	6 486	-	6 486	
Investment income	356	356	-	356	-	-	-	-	-	
Other income										
Total expenses	124 927	18 832	77 205	18 832	-	77 205	28 472	418	28 890	
Administration expenses	18 832	18 832	-	18 832	-	-	-	-	-	
National Skills Fund expenses	418	-	-	-	-	-	-	418	418	
Employer grants and project expenses	105 677	-	77 205	-	-	77 205	28 472	-	28 472	
Net surplus per Statement of Financial Performance allocated	29 882	1 214	13 928	1 214	-	13 928	15 158	(418)	14 740	

3 SKILLS DEVELOPMENT LEVY INCOME

The total levy income transfer per the Statement of Financial Performance is as follows:

	2010/11 R'000	RESTATED 2009/10 R'000
Levy income transfer: Administration	20,020	19,690
Levies received	20,020	19,690
Levies received from SARS	18,823	18,288
Government levies received	1,175	1,401
InterSeta transfers in	22	1
Levy income transfer: Employer Grants	94,517	91,133
Levies received	94,517	91,133
Levies received from SARS	94,409	91,128
InterSeta transfers in	108	5
Levy income transfer: Discretionary Grants	38,016	36,385
Levies received from SARS	38,016	36,385
Levies received	37,973	36,383
InterSeta transfers in	43	2
	<u>152,553</u>	<u>147,208</u>

The Government levies received represent the skills development levy contribution received from the Department of Water Affairs. These levies may be used for the administration expenses in accordance with Skills Development Regulations

4 INTEREST & PENALTIES

Interest	297	384
Penalties	663	375
	<u>960</u>	<u>759</u>

5 INVESTMENT INCOME

Interest on investments	<u>6,790</u>	<u>6,486</u>
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6 OTHER INCOME

Other income relates to trade tests income, expense recoveries, revenue recognised on special projects and foreign exchange gains	<u>4,705</u>	<u>356</u>
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7 EMPLOYER GRANT AND PROJECT EXPENSES

	2010/11 R'000	RESTATED 2009/10 R'000
Mandatory grants	80,369	77 204
Disbursed	48,553	48,608
Movement in provisions and accruals	31,816	28,596
Discretionary grants	27,642	28 472
Disbursed	16,635	26,724
Movement in provisions and accruals	11,007	1 748
Special projects	4,605	418
	<u>112,616</u>	<u>106,094</u>

8 ADMINISTRATION EXPENSES

Depreciation	-	-
Amortisation	504	526
Total Depreciation	504	526
Operating lease rentals	1,558	1,287
Buildings	1,349	1,111
Plant, machinery and equipment	209	176
Maintenance, repairs and running costs	850	475
Property and buildings	51	45
Information technology maintenance	800	430
S15 Administration expenses	1,429	-
Advertising, marketing and promotions, communication	844	766
Consultancy and service provider fees	3,399	1,258
Legal fees	1,326	461
Cost of employment	9,673	8,713
Travel expenses	1,061	981
Staff training and development	50	147
Remuneration to members of the audit committee	60	33
External auditor's remuneration	2,332	1,614
Audit fees	2,332	1,614
Other	1,899	2,570
Telephones	438	366
Internal Audit Fees	666	1,218
Other costs	539	623
Stationery & Printing	242	189
Conference/Strategic Planning/Venue Hire	14	174
Less: amounts allocated to project expenditure	-	-
	<u>24,983</u>	<u>18,832</u>

9 COST OF EMPLOYMENT

	Note	2010/11 R'000	RESTATED 2009/10 R'000
Salaries and wages		8,167	7 230
Basic salaries		8 087	7 154
Temporary staff		80	76
Employer contributions		1,506	1 483
Medical aid contributions		115	138
Pension contributions: defined contribution plans		577	616
UIF		44	40
Leave payments and 13th cheque		770	689
		9,673	8 713
Allocation of cost of employment			
Administration expenses	8	9,673	8 713
		9,673	8 713
Average number of employees		32	35

10 PROPERTY, PLANT AND EQUIPMENT

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
Year ended 31 MARCH 2011			
Computer equipment	987	916	71
Office furniture and fittings	832	758	73
Office equipment	206	129	78
Leasehold improvements	68	68	-
Balance at end of period	2 093	1 871	222
Made up as follows:			
- Owned assets	2 093	1 871	222
Year ended 31 March 2010			
Computer equipment	927	826	101
Office furniture and fittings	832	683	148
Office equipment	194	95	99
Leasehold improvements	68	48	20
Balance at end of period	2 021	1 652	369
Made up as follows:			
- Owned assets	2 021	1 652	369

Movement summary 2011

	Carrying amount 2010 R'000	Additions R'000	Depreciation/ Amortisation charge R'000	Carrying amount 2011 R'000
Computer equipment	101	61	91	71
Office furniture and fittings	148	-	75	73
Office equipment	99	12	33	78
Leasehold improvements	20	-	20	-
Balance at end of period	369	73	219	222

Movement summary 2010

	Carrying amount 2009 R'000	Additions R'000	Depreciation/ Amortisation charge R'000	Carrying amount 2011 R'000
Computer equipment	268	64	230	101
Office furniture and fittings	287	9	148	148
Office equipment	122	13	36	99
Leasehold improvements	18	12	10	20
Balance at end of period	695	98	425	369

Temporarily idle assets and assets not in use

There were no assets that were classified as idle and/or not in use for 2010/11 or 2009/10.

Fully depreciated assets still in use

	2010/11 R'000	RESTATED 2009/10 R'000
Gross carrying value		
Computer equipment	612	547
Office furniture and fittings	118	109
Office equipment	27	5
Balance at end of period	757	661

11 INTANGIBLE ASSETS

Year ended 31 MARCH 2011

	Cost R'000	Accumulated Amortisation R'000	Closing carrying amount R'000
Website development	28	16	12
Software	1 225	942	283
	1 253	958	295
Made up as follows:			
- Owned assets	1 253	958	295

Year ended 31 March 2010

	Cost	Accumulated Amortisation	Closing carrying amount
	R'000	R'000	R'000
Website development	28	7	21
Software	1 180	666	514
	1 208	673	535
Made up as follows:			
- Owned assets	1 208	673	535

Movement summary 2011

	Carrying amount 2010	Additions	Depreciation/ Amortisation charge	Carrying amount 2011
	R'000	R'000	R'000	R'000
Website development	21	-	9	12
Software	514	45	276	283
	535	45	285	295

Movement summary 2010

	Carrying amount 2009	Additions	Depreciation/ Amortisation charge	Carrying amount 2011
	R'000	R'000	R'000	R'000
Website development	-	28	7	21
Software	611	180	277	514
	611	208	284	535
Made up as follows:				
- Owned assets	611	208	284	535

Fully depreciated assets still in use

Gross carrying value

Software	367	318
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12 LONG TERM DEPOSIT

Rental Deposit	197	83
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	2010/11 R'000	RESTATED 2009/10 R'000
13 ACCOUNTS RECEIVABLE		
Non Exchange Transactions	255	285
Inter Seta Debtors	1	23
Overpayment of employer grants	254	262
Exchange Transactions	642	597
Prepayments	4	21
Investment Interest Receivable	634	572
Payroll receivables	4	4
14 INVENTORY		
Consumable Stores	58	76
15 CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	97,397	63,747
Cash at bank	97,394	63,747
Cash on hand	2	-
Short term investments/instruments	84,464	84,551
Cash and cash equivalents at end of year	181,861	148,298

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 5% (2010: 8%).

16 CURRENT LIABILITIES**Non Exchange Transactions**

Skills development grants payable - mandatory	
Skills development grants payable - discretionary	
Provision for employer refund	
Intersecta payables	

Exchange Transactions

Sundry payables	
Payables	

Funds received in advance

Opening balance	
Received in advance	
Utilised	

	2010/11 R'000	RESTATED 2009/10 R'000
	47,990	37,817
	31,816	28,626
	12,524	5,795
	3,561	3,306
	90	90
	2,310	2,072
	1,395	1,324
	915	748
	3,464	8,000
	8,000	-
	-	8,000
	(4,536)	-
	53,766	47,889

EWSETA received funds from the North West Department of Education that may only be utilised for the implementation of a specific training programme. The funds received in advance were recognised as liability and the revenue is recognised when corresponding expenditure has been incurred. The unutilised portion will continue to be accounted for as a liability.

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

Net surplus as per Income Statement	27,409	29,882
Adjusted for non-cash items:		
Amortisation	504	526
Adjusted for items separately disclosed		
Investment income	(6,790)	(6,486)
Adjusted for working capital changes:		
Decrease/(Increase) in inventory	19	(60)
Decrease/(Increase) in receivables - non exchange transactions	30	1,141
(Increase)/Decrease in receivables - exchange transactions	(159)	(398)
Increase/(Decrease) in payables - non exchange transactions	10,174	37,817
(Decrease)/Increase in payables - exchange transactions	240	(29,156)
(Decrease)/Increase in funds received in advance	(4,536)	8,000
<i>Cash (utilised)/generated in operations</i>	26,891	41,266

18 PRIOR YEAR ERRORS

2010/11
R'000

Restatement of Errors

Prior year amounts have been restated due to inaccuracies in the calculation and disclosures.

Discretionary Reserve

Overstatement of receivables from non-exchange transactions	506
Overstatement of receivables from non-exchange transactions	1,073
Overstatement of cash and cash equivalents	6
Overstatement of property plant and equipment	73
Understatement of intangible assets	(80)
Understatement of payables from non-exchange transactions	37,817
Overstatement of receivables from non-exchange transactions	(62,564)
Understatement of funds received in advance	8,000
Overstatement of finance lease liabilities	(385)
Overstatement of provisions	(1,669)
Movements in reserves	(17 223)

19 RELATED PARTY TRANSACTIONS

Transactions with the controlling entity

The Seta is controlled by the Department of Higher Education and Training which is under the direction of the Minister of Higher Education and Training. The transactions relating to the revenue were with the DHET.

Transactions with entities under common control

The transactions and balances that arose due to the movements of funds between the entities that are under the control of the Department of Higher Education and Training, these amounts are disclosed below:

	Amount of the transaction	Amount receivable / (payable)	Amount of the transaction	Amount receivable / (payable)
Receivables	-	1	7	23
		-		
FASSET	-	-	7	-
ISETT		1	-	23
Payables	(172)	(90)	-	(90)
AGRISETA		(7)	-	(7)
CETA		(62)		(62)
SERVICES	(172)	0	-	0
MERSETA		(21)		(21)
	(172)	(89)	7	(67)

Note that revenue amount relating to Seta transfer transactions, where applicable, includes interest and penalties transferred from to or from the other SETA.

20 CONTINGENT ASSET

VAT recovery

Included on the payments for the discretionary grants is the VAT amounts that were erroneously paid of R127 000 (2009/10: R6 240 000), refer to note on irregular expenditure. The EWSETA is in process of recovering that amount and the probability of recovery is uncertain.

National Skills Fund

The National Skills Fund co-funded a critical skills projects support project for the unemployed for R17 000 000.00 and there are unclaimed funds by the EWSTA of R1 235 681.00 (2009/10: R1 235 681.00) . This amount will be payable to the EWSETA when all the verification process to validate the expenditure have been conducted by the National Skills Fund.

Mandatory grant recovery

The EWSETA erroneously paid two employers that did not qualify for mandatory grant an amount of R337 221.31 during the current financial year. The EWSETA will initiate process of recovering those grants and the probability of recovery is uncertain.

21 CONTINGENT LIABILITIES

Pending litigations

As previously reported, EWSETA has been sued by Wendolins to the amount of R322 000. The outcome of this case is uncertain and no provision has been made.

First time employer registrations

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

At the reporting date, it is estimated that, as a result, additional mandatory grant expenditure of R87 000 (2009/10: R161 000) will be payable. The amount is contingent on number of submissions received and approved.

22 COMMITMENTS

Employer Grant Reserve

As at the date of the annual financial statements, no applications have been received for the payment of mandatory grants for those companies joining the sector post September 2010.

Discretionary Grant Reserve

Of the balance of R129 160 available in the Discretionary Grant Reserve at the end of March 2011, R110 234 is committed for the various projects listed below. A request for the accumulation of these funds has been submitted to National Treasury. At the time of compiling the financial statements, no reply had been received.

Description of Grant	Restated opening balance 2009/10 R'000	Approved by Accounting Authority R'000	Adjustments R'000	Utilised R'000	Closing balance 2010/11 R'000
Learnership grants	87,249	37,399	(22,640)	(16,483)	85,525
Apprenticeship	11,494	570	-	(545)	11,519
New Venture Creation (NVC)	3,040	4,500	(2,734)	(2,460)	2,346
ABET	1,781	1,272	(1,683)	(1,120)	250
Internships	2,073	420	(253)	(161)	2,079
Skills programme	1,195	416	(1,295)	(200)	116
Special projects	12,897	-	(100)	(6,673)	6,124
Bursaries		2,275		-	2,275
TOTAL	119,729	46,852	(28,705)	(27,642)	110,234

23 OPERATING LEASES

Minimum lease payments recognised under operating leases as an expense during the year.

	2010/11 R'000	RESTATED 2009/10 R'000
	209	176

Total of future minimum lease payments under non-cancelable operating leases

Not later than one year

Later than one year and not later than five years

Later than five years

	168	129
	197	345
		-
	365	474

The rental relates to various office equipment agreements entered into from 01 June 2007 ending on for a five year period ending on 01 June 2013. The rate of interest escalate between 10% and 15% over the remaining period of the leases.

24 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure current year

Condoned or written off by Board

Fruitless and wasteful expenditure awaiting condonement

	2010/11 R'000	2009/10 R'000
	3	450
	-	-
	3	450

Incident

2010/11 - Payment of audit committee fees to audit committee members who did not attend the meeting

	3	-
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2009/10 - OMC Consultants - No penalties were invoked and the contract was not terminated as a result of the non-performance

Irregular expenditure

Irregular expenditure current year
 Condoned or written off by Board
 Irregular expenditure awaiting condonement

Incident

VAT was incorrectly paid by EWSETA
 Approval for late submission of WSP not approved by board
 Payment of mandatory grant to employers that did not qualify
 Non-compliance with supply chain management
 VAT portion of discretionary grants projects approved inclusive of VAT
 Amount in excess of Administration revenue (10% of levy income)
 Amount in excess of Administration revenue (Note 2)
 Amount condoned by DHET

	2010/11 R'000	2009/10 R'000
	-	450
Irregular expenditure current year	8,892	22,820
Condoned or written off by Board	-	-
Irregular expenditure awaiting condonement	8,892	22,820
VAT was incorrectly paid by EWSETA	127	6,240
Approval for late submission of WSP not approved by board	-	16,580
Payment of mandatory grant to employers that did not qualify	337	-
Non-compliance with supply chain management	629	-
VAT portion of discretionary grants projects approved inclusive of VAT	4,602	-
Amount in excess of Administration revenue (10% of levy income)	3,198	-
Amount in excess of Administration revenue (Note 2)	4,794	-
Amount condoned by DHET	(1,596)	-

25 FINANCIAL INSTRUMENTS

In the course of the EWSETA operations it is exposed to interest rate, credit, liquidity and market risk. The EWSETA 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.

Interest rate risk

The EWSETA manages its interest rate risk by investing in the financial institutions approved by National Treasury.

The EWSETA's exposure to interest rate risk and the effective interest rates on financial instruments at Statement of Financial Position date are as follows:

	Floating rate		Non-interest	TOTAL
	Amount	Effective	bearing	R'000
	R'000	interest rate	Amount	
			R'000	
Year ended 31 March 2011				
Assets				
Investments	84,464	5.50%		84,464
Cash	97,394	5.50%	2	97,397
Loans and Accounts receivable	-		899	899
Total financial assets	181,858		901	182,759
Liabilities				
Loans and Accounts payable	53,766			53 766
Year ended 31 March 2011				
Total financial assets	181,858			181 858
Total financial liabilities	(53 766)			(53 766)
	128,092			128 092

Credit risk

Financial assets, which potentially subject the EWSETA 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, investments and accounts receivable. The maximum exposure to credit risk is equal to the carrying amount of the financial instruments.

The ageing of Trade & Other Receivable from non exchange transactions:

	2010/11		2009/10	
	Gross	Impairment	Gross	Impairment
Not past due	642	-	597	-
Past due 0 - 30 days		-	-	-
Past due 31 - 120 days		-	23	-
More than one year	255	9	262	-

Trade & other receivables that are past due, are due from employers who have been invoiced because of their non-conformance to discretionary grant contracts for various learnership programmes. These companies have been making regular SDL payments to SARS. Management has taken a decision to with hold future discretionary grant payments until invoices have been settled in full therefore no provision has been made for impairment.

Cash and Cash Equivalents:

	2010/11		2009/10	
	Gross	Impairment	Gross	Impairment
Not past due	181 861	-	148 298	-

The EWSETA manage limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation. The EWSETA's exposure is continuously monitored by the Executive Committee.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The EWSETA does not have any material exposure to any individual or counter-party. The EWSETAs concentration of credit risk is limited to the energy, water and waste and sanitation industry in which the EWSETA operates. No significant events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt.

Liquidity Risk

The EWSETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves and liquid resources are maintained.

2010/11	Carrying Amount	Contractual Cash Flows	6 - 12 months	More than 2 years
Trade and other Payables from exchange transactions	14 836	14 836	14 836	-
2009/10	Carrying Amount	Contractual Cash Flows	6 - 12 months	More than 2 years
Trade and other Payables from exchange transactions	7 867	7 867	7 867	-

Market risk

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

Fair values

The EWSETA'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:

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

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

Accounts receivable

The carrying amount of accounts receivable, net of allowance for impairment, approximates fair value due to the relatively short-term maturity of these financial assets. Interest is levied at the prescribed rate as determined by the Act should Employers pay Skills Development Levy late.

Accounts payable

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

26 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

27 WORLD CUP EXPENDITURE

	2010/11		2009/10	
	Quantity	R'000	Quantity	R'000
Tickets acquired	-	-	-	-
Purchase of other world cup apparel	-	-	-	-
Expenses incurred after year-end				
T-Shirts	-	-	35	10

28 NEW ACCOUNTING PRONOUNCEMENTS AFFECTED IN THE CURRENT YEAR

At the date of the authorisation of these financial statements there are standards and interpretations in issue but not yet effective. These include the following standards and interpretations that are applicable to the Seta and may have an impact on future financial statements.

		Effective Date
Impairment of Non-cash-generating Assets	GRAP 21	1 April 2012
Revenue from Non-exchange Transactions (Taxes and Transfers)	GRAP 23	1 April 2012
Presentation of Budget Information in Financial Statements	GRAP 24	1 April 2012
Impairment of Cash-generating Assets	GRAP 26	1 April 2012
Employee Benefits	GRAP 25	<i>not yet effective</i>
Financial Instruments	GRAP 104	<i>not yet effective</i>

An entity shall apply Standards of GRAP for Annual Financial Statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) of the PFMA.

GRAP 21, 23, 24 and 26 have been used to formulate accounting policies or inform presentation and disclosure. GRAP 24 - the principles outlined in GRAP 24 have been used to inform compliance with the requirements of GRAP 1.

The SETA has not yet assessed the impact of adopting GRAP 25 and 104.

GRAP 21 : Impairment of Non-cash Generating Assets

This standard prescribes the accounting treatment for the impairment of non-cash generating assets and does not significantly differ from IAS 36 except for some terminology differences. It is not expected that this standard will significantly impact future disclosures .

GRAP 23 : Revenue from Non-exchange Transactions (Taxes and Transfers)

The standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. The standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners. This standard did not significantly impact Seta disclosures as prior practice was within the requirements of the new standard.

GRAP 24 : Presentation of Budget Information in financial Statements

The standard prescribes the presentation of a comparison of budget and actual amounts in the financial statements of entities that are publicly accountable for the use of their funds. The presentation may be in the form of additional financial statement or additional budget columns in their financial statements. The standard will significantly impact future disclosures as budget information will be presented, compared with actuals and explanations of material differences will be made.

GRAP 26 : Impairment of cash Generating Assets

This standard prescribes the accounting treatment for the impairment of cash generating assets and does not significantly differ from IAS 36. It is not expected that this standard will significantly impact future disclosures due to the EWSETA having no cash generating assets.

NATIONAL SKILLS DEVELOPMENT STRATEGY II OBJECTIVES



National Skills Development Strategy II Objectives

EWSETA Performance against Pre-determined Objectives

The table hereunder reflects the EWSETA performance achievements against targets during the 2010-2011 financial year. These targets are agreed annually between the DHET and the EWSETA and form the basis against which the DHET evaluates the EWSETA performance annually.

No	National Skills Development Strategy 2005 - 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	ENERGY SETA Plan for 2010 – 2011 Annual Targets	ENERGY SETA achievements for 2010-2011	Comments
1.	Prioritising and communicating critical skills for sustainable growth, development and equity.	<p>Indicator 1.1 Skills development supports national and Sectoral growth, development and equity priorities.</p> <p>Indicator 1.2 Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.</p>	<p>The SSP or Annual Update is signed off by the:</p> <p>a) EWSETA and Department of Labour who agreed growth, development and equity strategy drivers.</p> <p>b) Department of Labour Executive Manager responsible for quality assurance of SSP.</p> <p>The SSP or Annual update submitted on time as per Department of Labour Guidelines.</p> <p>Annual guide on critical skills needs for the Sector developed and available to learners.</p> <p>100 SDFs or Sector Specialists to be trained in the Sector for the year.</p>	<p>The 2005-2010 SSP was signed off by the Department of Labour Executive Manager responsible for quality assurance of SSPs.</p> <p>It reflects EW SETA/Department of Labour agreed growth, development and equity strategy drivers.</p> <p>The Annual update was submitted on time as per Department of Labour Guidelines.</p> <p>The EWSETA annual guide on critical skills needs was developed for the Sector and available to learners.</p> <p>154 SDFs or Sector Specialist were trained.</p>	<p>Target achieved.</p> <p>Target achieved.</p> <p>Target achieved.</p> <p>Target achieved.</p>

No	National Skills Development Strategy 2005 - 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	ENERGY SETA Plan for 2010 – 2011 Annual Targets	ENERGY SETA achievements for 2010-2011	Comments
2.	Promoting and accelerating quality training for all in the workplace	<p>Indicator 2.1 By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.</p> <p>Indicator 2.2 By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.</p> <p>Indicator 2.5 Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the Sector from the second year onwards. Impact of support measured.</p>	<p>The TARGET for the large firms is 16 firms.</p> <p>The TARGET for medium firms is 17 firms.</p> <p>The TARGET for small firms is 410 firms.</p> <p>EWSETA set a target of Small BEE Firms 30 and Cooperatives 30 for this indicator.</p>	<p>44 large firms received WSP/ATR Grants.</p> <p>40 medium firms received WSP/ATR Grants</p> <p>92 small firms received WSP/ATR Grants, free courses and support.</p> <p>65 BEE Firms and Cooperatives were identified.</p>	<p>Target exceeded.</p> <p>Target exceeded.</p> <p>Target not met.</p> <p>Target achieved.</p>

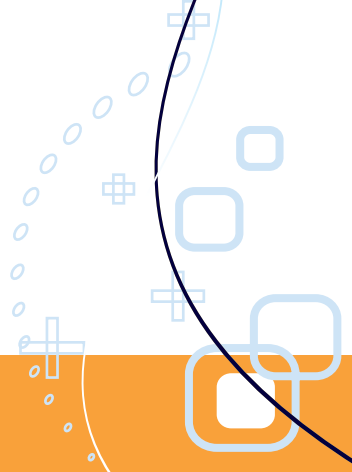
No	National Skills Development Strategy 2005 - 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	ENERGY SETA Plan for 2010-2011 Annual Targets	ENERGY SETA achievements for 2010-2011	Comments
	<p>Indicator 2.7 By March 2010 at least 700 000 workers have achieved at least ABET Level 4.</p>	<p>Target for the Sector for the period 2010-2011; Abet Level 1 Registered is 100. Abet Level 2 Registered is 100. Abet Level 3 Registered is 100. Abet Level 4 Registered is 100.</p> <p>Abet Level 1 Achieved is 50. Abet Level 2 Achieved is 50. Abet Level 3 Achieved is 50. Abet Level 4 Achieved is 50.</p> <p>Budgeted expenditure: R1m.</p>	<p>Target for the Sector for the period 2010-2011 is 500 Learners entering a Learning programme.</p> <p>Target for the Sector for the period 2010-2011 is 250 Learners completed a Learning programme.</p>	<p>Abet Level 1 Registered is 14. Abet Level 2 Registered is 23. Abet Level 3 Registered is 3. Abet Level 4 Registered is 2. Total Entered 1-4 = 42.</p> <p>Abet Level 1 Achieved is 0. Abet Level 2 Achieved is 0. Abet Level 3 Achieved is 0. Abet Level 4 Achieved is 0. Total Completed 1-4 = 0.</p>	<p>Target not met.</p>
3.	<p>Promoting employability and sustainable livelihoods through skills development.</p>	<p>Indicator 2.8 By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including Learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.</p> <p>Indicator 3.2 By March 2010, at least 2000 non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.</p>	<p>Target for the Sector for the period 2010-2011 is 500 Learners entering a Learning programme.</p> <p>Target for the Sector for the period 2010-2011 is 250 Learners completed a Learning programme.</p> <p>Target for the sector is 30 NLPs. Target for the sector is 10 NGOs. Target for the sector is 10 CBOs. Target for the sector is 10 CBO Co-ops.</p> <p>Total target is 60</p>	<p>168 learners have entered into learning programmes.</p> <p>601 learners have completed the learning programmes.</p> <p>66 enterprises were supported.</p>	<p>Target not met.</p> <p>Target exceeded.</p> <p>The overall Target met. The EWSeta is embarking on a baseline research project which will enable the Seta to identify the BEE Firms and Co-operative in the sector.</p>

No	National Skills Development Strategy 2005 - 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	ENERGY SETA Plan for 2010-2011 Annual Targets	ENERGY SETA achievements for 2010-2011	Comments
4.	Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment.	<p>Indicator 4.1 By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully completed programmes, including Learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.</p> <p>Indicator 4.2 100% of learners in critical skills programmes covered by Sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.</p> <p>Indicator 4.3 By March 2010, at least 10,000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme.</p>	Target for the Sector for the period 2010-2011 is 500 Learners to enter Learning programmes. 251 Learners have completed learning programmes.	1352 Learners have entered learning programmes. 1327 Learners have completed learning programmes.	<p>Target exceeded.</p> <p>Target exceeded.</p> <p>Target not met.</p>
		Target for the Sector for the period 2010-2011 is 152 Learners. Target (70%) of student graduates who find placement in employment or self-employment is 160	Target for the Sector for the period 2010-2011 is 160 young people trained and mentored to form sustainable new ventures per SLA. Target per SLA for number of new ventures in operation 12 months after completion of programme is 36. Budgeted expenditure: R3m.	0 learners have been assisted in critical skills 0 learners have been assisted with workplace experience. 42 learners trained. Achievements against new ventures in operation 12 months after completion of programme is 0.	<p>Target not met.</p>

No	National Skills Development Strategy 2005 - 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	ENERGY SETA Plan for 2010-2011 Annual Targets	ENERGY SETA achievements for 2010-2011	Comments
5.	Improving the quality and relevance of provision.	<p>Indicator 5.1 By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public & private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the Sector and employer satisfaction ratings of their training.</p> <p>Indicator 5.2 By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.</p> <p>Indicator 5.3 By March 2010, there are measurable improvements in the quality of the services delivered by skills development institutions and those responsible for the implementation of the NQF in support of the NSDS.</p>	Target for the Sector for the period 2010-2011 is 2 institutes.	0 Institutes of Sectoral or Occupational Excellence (ISOE) supported.	Target not met.
			Target for the Sector for the period 2010-2011 is 5 institutes.	1 Providers are managing the New Venture Creation.	Target not met.
			Target is set for each year from 2005 to 2010 as described under Annual Target.	Target for the SETA is to meet SAQA Audit and SAQA NLRD upload requirements.	Target met.

Glossary of Terms

AAIBSA	Association of Accredited Inspection Bodies of South Africa
ABET	Adult Basic Education and Training
ATR	Annual Training Report
CBO	Community Based Organisation
DHET	Department of Higher Education and Training
DME	Department of Minerals and Energy
DoL	Department of Labour
DWA	Department of Water Affairs
ECSA	Engineering Council of South Africa
ETQA	Education and Training Qualifications Authority
EWSETA	Energy and Water Sector Education & Training Authority
EAP	Employee Assistance Programme
FET	Further Education & Training
FETC	Further Education & Training Certificate
GETC	General Education & Training Certificate
IMATU	Independent Municipal & Allied Trade Union
MoA	Memorandum of Agreement
MEWUSA	Metal & Electrical Workers Union of South Africa
MoU	Memorandum of understanding
NGO	Non Governmental Organisation
NQF	National Qualifications Framework
NSF	National Skills Fund
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NUM	National Union of Mine Workers
NUMSA	National Union of Metal Workers South Africa
OFO	Organised Framework for Occupants
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
SAQA	South African Qualifications Authority
SAAWU	South African Association of Water Utilities
SAEWA	South African Electrical Workers Association
SALGA	South African Local Governments Association
SAMWU	South African Municipal Workers Union
SARS	South African Revenue Services
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Association
SGB	Standard Generating Body
SMME	Small Medium and Micro Enterprises
SSP	Sector Skills Plan
VAT	Value Added Tax
WISA	Water Institute of South Africa
WSP	Workplace Skills Plan



CONTACT DETAILS

JOHANNESBURG HEAD OFFICE

32 Princess of Wales Terrace
Sunnyside Office Park
MPF House
Parktown

P O Box 1273
Houghton
2041

Telephone: 011 274 4700

info@eseta.org.za
www.eseta.org.za

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