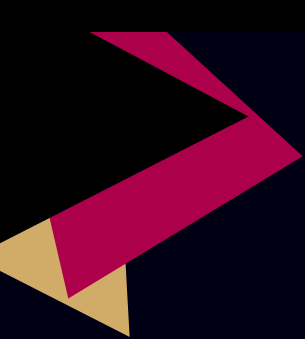




higher education
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Annual Report 2018/2019





MINISTER OF HIGHER
EDUCATION, TRAINING, SCIENCE
AND TECHNOLOGY
**DR BONGINKOSI EMMANUEL
'BLADE' NZIMANDE**



DEPUTY MINISTER OF HIGHER
EDUCATION, TRAINING, SCIENCE
AND TECHNOLOGY
MR BUTI KGWARIDI MANAMELA

This report presents the affairs of the Banking Sector Education and Training Authority (BANKSETA) in terms of our operations, financial performance and developments across all performance targets, as set out in the predetermined objectives with the Department of Higher Education and Training (DHET).

Department of Higher Education, Training, Science and Technology
Honourable Minister, Dr Bonginkosi Emmanuel 'Blade' Nzimande
123 Francis Baard Street
Pretoria
0001

Dear Honourable Minister,

REPORT TO THE HONOURABLE MINISTER OF HIGHER EDUCATION AND TRAINING, IN TERMS OF SECTION 10 (2) OF THE PUBLIC AUDIT ACT, 2004 (ACT NO 25 OF 2004)

In terms of the provision of section 10 (2) of the Public Audit Act of 2004, it is an honour to submit the annual report for the financial year ended 31 March 2019.

This report presents the affairs of the Banking Sector Education and Training Authority (BANKSETA) in terms of our operations, financial performance and developments across all performance targets, as set out in the predetermined objectives with the Department of Higher Education and Training (DHET).

It gives me great pleasure to announce that the Audit Committee, which was established in terms of section 40 of the Act, is satisfied with BANKSETA's audited financial statements and unmodified audit opinion.

The BANKSETA team would like to thank you for the unwavering support we have received during the performance period under review. We look forward to another dynamic financial year with challenging targets to enhance the skills development and training of the sector we prudently serve.

Yours sincerely,

Trevor Rammitlwa
Chief Executive Officer (CEO)



TABLE OF CONTENTS

PART A: GENERAL INFORMATION

1. Public Entity's General Information.....	7
2. List of Abbreviations/Acronyms.....	8
3. About This Report	9
4. Public Entity's - Part A	10
5. Chairperson's Report.....	11
6. Chief Executive Officer's Statement.....	13 - 14
7. Statement of Responsibility and Confirmation of Accuracy for the Annual Report	15
8. Strategic Overview.....	16
• Mandate	
• Vision	
• Mission	
• Values	
8. Policy Mandates.....	17 - 18
9. Organisational Structure	19 - 20

PART B: OPERATIONAL OVERVIEW AND PERFORMANCE INFORMATION

1. Operational Overview.....	22
• Departmental Reporting	23 - 37
2. Annual Performance Information.....	39 - 72
• Programme 1: Administration	
• Programme 2: Skills and Planning	
• Programme 3: Learning Programmes	
• Programme 4: Quality Assurance	

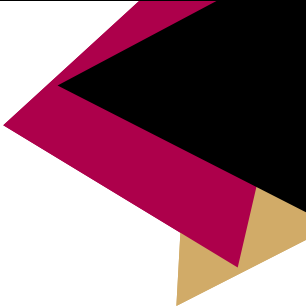


TABLE OF CONTENTS

PART C: GOVERNANCE

1. Group Profile	75
2. Governance Structure	76 - 85
• Board Members	
• BANKSETA Governance Structure	
• Accounting Authority/Board	
• The Board Charter	
3. Composition of the Board	
• Board Committees	
• Finance and Remuneration Committee	
• Audit and Risk Committee	
• Executive Committee	
• Board and Committee Member Remuneration	
• Risk Management	
• Governance Report	

PART D: HUMAN RESOURCES OVERVIEW

1. Organogram	87
2. Human Resources Overview	88 - 92

PART E: FINANCIAL INFORMATION

1. Report of the Auditor-General	97
2. Annual Financial Statements	102 - 156
• Financial Performance	
• Financial Position	
• Changes in Net Assets	
• Financial Performance	
• Cash Flow	
• Comparision of budget & Actual Amounts	
• Accounting Policies	
• Notes to the Annual Statements	



PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name: Banking Sector Education and Training Authority
Registered Number: 02/BANKING/1/04/11
Website: www.bankseta.org.za
External Auditors: The Auditor-General of South Africa
The Bankers: Nedbank Corporate Banking
Company Secretary: **Caroline King**
Telephone: +27 11 805 9661

Publisher: **BANKSETA**
Chief Executive Officer
Postal Address:
PO Box 11678
Vorna Valley
1686

GAUTENG HEAD OFFICE

Tel: (0) 11 805 9661
Fax: (0) 11 805 8348

94 Bekker Road
Thornhill Office Park
Block 22, Vorna Valley
Midrand, 1685

Anti-Fraud Hotline 0800 222 985 (FREE CALL)

www.bankseta.org.za

Info@bankseta.org.za



LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AG	Auditor-General
AFS	Annual Financial Statements
ATR	Annual Training Report
ARC	Audit and Risk Committee
BANKSETA	Banking Sector Education and Training Authority
BASA	Banking Association South Africa
CBDA	Co-operative Bank Development Agency
CFIs	Co-operative Financial Institutions
CFO	Chief Financial Officer
DBSA	Development Bank South Africa
FAISA	Financial Advisory and International Services Act
HEIs	Higher Education Institutions
AB	Alternative Banking
HR	Human Resources
ISAs	International Standards on Auditing
IIP	Investors In People
IT	Information Technology
IEDP	International Executive Development Programme
LOTs	Life Orientation Teachers
NSFAS	National Skills Financial Aid Scheme
NEET	Not in Education, Employment or Training
NGOs	Non-Governmental Organisations
NQF	National Qualifications Framework
NSDS III	National Skills Development Strategy
PFMA	Public Finance Management Act
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PwDs	Persons with Disabilities
RPL	Recognition of Prior Learning
QCTO	Quality Council for Trade and Occupations
SARB	South African Reserve Bank
SARS	South African Revenue Service
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SMEs	Small and Medium Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
UoTs	Universities of Technology
WIL	Work Integrated Learning
WSP	Workplace Skills Plan
YES	Youth Employment Service



ABOUT THIS REPORT

THE ANNUAL REPORT

The framework for this annual report applies the principles of sustainability reporting as espoused by the King IV Code on Governance. The annual report seeks to measure, disclose and account to internal and external stakeholders for organisational performance. The report consists of a global narrative on institutional strategies to achieve its legislated mandate, financial information, risk reporting and institutional governance framework.

REPORTING PERIOD

BANKSETA is guided by its legislated mandate, the Public Finance Management (Act No.29 of 1999) and Treasury Regulations. Its financial reporting period is, therefore, in line with the requirements of the said Acts and regulations and covers financial year 2018/19.

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements have been prepared on the historical cost basis and are prepared in accordance with Generally Recognised Accounting Practice (GRAP).



PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name: Banking Sector Education and Training Authority

Registered Number: 02/BANKING/1/04/11

Website: www.bankseta.org.za

External Auditors: The Auditor-General of South Africa

The Bankers: Nedbank Corporate Banking

Company Secretary: Caroline King

Publisher: **BANKSETA**
Chief Executive Officer
PO Box 11678
Vorna Valley
1686

Production and Distribution: BANKSETA Marketing & Communications Department

GAUTENG HEAD OFFICE	FREE STATE OFFICE	EASTERN CAPE OFFICE	LIMPOPO OFFICE
Telephone: +27 (0) 11 805 9661 Facsimile: +27 (0) 11 805 8348 94 Bekker Road Thornhill Office Park Block 22, Vorna Valley, Midrand, 1685	Telephone: +27 (0) 51 406 9365 Facsimile: +27 (0) 86 667 7966 Motheo TVET College Central Office, Cnr St Georges & Aliwal Streets, Bloemfontein, 9300	Telephone: +27 (0) 43 721 3349 Facsimile: +27 (0) 86 574 2888 Waverley Office Park Phase 4 Building, 3-33 Phillip Frame Road, Chiselhurst, East London, 5247	Telephone: +27 (0) 15 297 0199 Facsimile: +27 (0) 86 218 0124 IGS Building 7 Watermelon Street, Platinum Park Bendor, Polokwane, 0713



thebankseta



the-bankseta



info@bankseta.org.za



thebankingseta



thebankseta

Part A: General Information

CHAIRPERSON'S REPORT



**BANKSETA BOARD CHAIRPERSON:
MS NOSIPHO 'MIA' MAKHANYA**

I present another BANKSETA Annual Report on behalf of the Board. The current Board was appointed on the 1st April 2018 and was faced with the task of having to steer the organisation out of operational and cultural challenges. The Board has worked tirelessly, intervening from the day of its appointment. The patrons are witnesses, as they recognise and appreciate the enormous task that the Board faced coming into office.

During the 2018/19 financial year, the Board conducted an extensive assessment of the BANKSETA, amongst other things, due diligences which uncovered operational short-comings, investigations of complaints and initiated corrective measures to try and correct the systemic challenges within the entity. The Board has been systematic in its approach to ensure the steady turnaround of the organisation.

The Board is committed to reviving the BANKSETA to become a SETA of excellence again, by focusing on organisational renewal and operational excellence. We urge all our stakeholders, beneficiaries and staff to support us through this period. The Board is working to ensure that BANKSETA works effectively and efficiently in fulfilling its skills development objectives, playing its vital role in propelling the country towards its national development objectives.

BANKSETA's strategic objectives include aligning skills development to the Fourth Industrial Revolution (4IR), taking into account findings from extensive research into the envisioned bankers of the future as well as the need for reskilling, upskilling and multiskilling. We recognised there is a need to avert a skills crisis in the country, especially within the youth demographic, by aligning skills development towards the future of banking.

Programmes aimed at improving training and addressing skills needs in the banking and alternative banking sectors remain a priority. The Board emphasises the continuation of career awareness, guidance and outreach programmes for Life Orientation Teachers (LOTs) and school learners. The Board has embarked on a transformative agenda for gender balance, increased participation of Persons with Disabilities (PwDs) and rural development within the banking industry. The Board observed that capacity building initiatives should be offered to Technical and Vocational Education and Training (TVET) colleges to consolidate their structural capabilities. We further note the need to have reach and access to community colleges and Non-Governmental Organisations (NGOs) which are amongst the pillars of our society's development.

We congratulate the returning Honourable Minister, Dr Bonginkosi Emmanuel 'Blade' Nzimande to the now extended portfolio of the Department of Higher Education, Science and Technology. We are looking forward to receiving direction from the Minister and we are committed to having a prosperous working relationship with him.

I acknowledge and thank the Board for your continuous support, expertise and solution-driven input. We have remained united in our effort to make BANKSETA great again. To all Independent Board Committee members, thank you for all the work you have done, you have provided valuable guidance to the Board. To management and staff, recognising the turbulent times experienced, the Board acknowledges the work implemented to date and will continue to support you in bringing about organisational renewal.

To the Auditor-General's team, we appreciate the additional support and input provided. To the Department of Higher Education and Training, currently referred to as the Department of Higher Education, training, Science and Technology team, thank you for the continuous support in the fulfilment of the BANKSETA mandate and for all efforts in bringing about changes to the SETA. To the National Treasury team, we appreciate the continuous engagement and support. And to our valued stakeholders and beneficiaries, we have an exceptional sense of gratitude for working with us in ensuring that we achieve our skills development goals and objectives.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Makhanya', written over a dotted line.

Nosipho Makhanya
Chairperson of the Board



CHIEF EXECUTIVE OFFICER'S STATEMENT



**BANKSETA CEO
TREVOR RAMMITLWA**

BANKSETA's financial operations are highly regulated as per the Skills Development Levies Act which regulates the collection of funds through the skills levies grant system and requires all qualifying companies in the banking and microfinance sectors to contribute 1% of their payroll on a monthly basis towards skills development. The funds are collected by the South African Revenue Services (SARS) on a monthly basis and are distributed to the Department of Higher Education, Training, Science and Technology. BANKSETA's portion comprising of 80% of the funds is distributed through the Department of Higher Education, Training, Science and Technology while 20% is distributed to the National Skills Fund. Funds collected for the 2018/2019 year were in line with what was projected and in some of the months higher than what was budgeted for. The higher income realised were as a result of bonus payments and skills levy penalties. The 2018/19 financial year was characterised by employment stability for the former part of the year while the sector experienced some job losses towards the end. This though did not negatively impact the projected levy income.

BANKSETA has for the year 2018/19 had its administration costs remaining within the threshold of the 10.5% as regulated. The 0.5% administration funds earmarked for the Quality Council for Trades and Occupations (QCTO) were duly honoured. BANKSETA successfully allocated the Discretionary Grants as required including the payment of Mandatory grants remaining at 97% compared to the previous year. BANKSETA had a major review of internal processes governing the Discretionary Grants and has improved processes and controls in a major way. However, some of the projects had to be delayed while

the review process unfolded. By the end of the financial year BANKSETA had surplus funds and has submitted a request to the National Treasury and the Department of Higher Education, Training, Science and Technology to retain the funds for allocation to projects in the new financial year. As at the end of 2018/19 financial year BANKSETA was in a healthy financial position, and was able to meet its obligations in the year as it was expected and is in a position to meet its obligations in the future.

For the year under review BANKSETA continued to make strides in contributing to the national goals including development of a capable workforce and in particular for the banking and microfinance sector. Programmes for the unemployed and employed beneficiaries were successfully implemented in the form of learnerships, Internships, Work Integrated Learning Programmes and Executive Development Programmes. More focus was also put on skills development for people with disabilities and rural areas. BANKSETA also successfully implemented various funding windows to fulfil its annual performance plan for 2018/19 financial year.

Among the funding windows implemented were the SME Skills Support Funding Window and IT Skills Funding Window as a response to the 2018/19 Sector Skills Plan priorities actions. To support transformation in the sector BANKSETA continued to implement the International Executive Development Programmes including the Africa Expansion Programme. In 2018/19 BANKSETA also successfully funded both undergraduate and post graduate bursaries. Students at higher education institutions received financial support in the form of tuition fees, books, meals and accommodation costs including academic support. To this end BANKSETA signed memoranda of agreements with public universities and Universities of Technology (UoTs). BANKSETA recognises that more still needs to be done in this area though. A memorandum of agreement was also signed with National Skills Financial Aid Scheme (NFSAS) to support its student funding at the Higher Education Institutions (HEIs) especially students that had historical debt.

Support for TVET colleges remained a major point of focus for BANKSETA. TVET colleges were funded and Work Integrated Learning opportunities created for students for these colleges. This means BANKSETA successfully had the students from TVET colleges placed with employers. Work Integrated Learning students from TVET colleges were also successfully paid stipends for the year 2018/19. In the year under review BANKSETA was proactive by putting in place a Reskilling Funding Window to assist with the jobs affected by the Fourth Industrial Revolution developments and various employers are thanked for working with the SETA to support the affected employees.

While there are successes for the year 2018/19, the Auditor-General South Africa (AGSA) audit outcomes point to an urgent need improve controls in areas such as Supply Chain

Management, commitment schedule, performance information, compliance with legislation and regulations. It is regrettable that this became areas that regressed for period audited. Management has put an action plan in place to urgently address the concerned areas.

The BANKSETA Board and the Audit and Risk Committee(ARC) are applauded for the interventions they made in the financial 2018/19. Effort was put into policy gaps and even more of this focus was put on reviewing the Discretionary and Mandatory grants governance and controls. The Supply Chain function was also extensively reviewed although more still needs to be done to turn the Unit around. The vacant position of the CEO was also filled in the latter part of the financial year. The Board made an effort

in stabilising management. Board Chairperson and Committee Chairpersons are applauded for the sterling leadership.

BANKSETA Staff and Management are thanked for their continued commitment to enabling the organisation to fulfil its mandate and for continuing to serve our stakeholders with excellence. To the Employers, Training Providers, our partners being Higher Education Institutions, TVET colleges, Regulators, Industry Associations thank you for the continued support. Our commitment to serve, to enable highest standards of governance, to build leadership and team cohesion, to modernise BANKSETA, to strengthen partnerships and advance stakeholder engagement remain critical going into the future financial years.

Yours faithfully



.....
Trevor Rammitlwa
Chief Executive Officer (CEO)





STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 as amended, including any interpretations of such Standards issued by the Accounting Standards Board, applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgments made in this information.

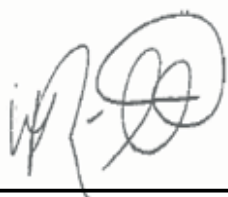
The Accounting Authority is responsible for establishing, and implementing a system of internal control and has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2019.

Yours faithfully

Yours faithfully



CHIEF EXECUTIVE OFFICER

Trevor Rammitlwa

31 July 2019

CHAIRPERSON OF THE BOARD

Nosipho Makhanya

31 July 2019



STRATEGIC OVERVIEW

OUR MANDATE

In terms of the Skills Development Act, No 97 of 1998 as amended by the Skills Development Act Amendment Act 26 of 2011, within the NSDS framework, BANKSETA is mandated to develop skills in the banking and alternative banking sector. It does so by:

- Encouraging employees to develop an active learning environment in the workplace
- Providing employees with opportunities to acquire new skills/progress their careers
- Increase levels of investment in workplace education and training; and
- Promoting transformation as guided by the NSDS equity targets of 85% black, 54% female and 4% People With Disabilities (PWDs).

OUR VISION

To be recognised as a centre of excellence and innovation for skills development in the broader banking and alternative banking sector.

OUR MISSION

To support transformation and people development and, through partnerships, enable stakeholders to advance the national and global position of the broader banking and alternative banking sector.

Our guiding principles:

- Leverage skills levy funds for the strategic benefit of the banking and alternative banking sector
- Provide quality-assured, world-class skills training services at the lowest cost
- Deploy leading-edge technology
- Judiciously carry out the NSDS mandate
- Maintain status as a preferred human resources development partner in banking and microfinance; and
- Exceed stakeholder expectations.

OUR CORPORATE VALUES

- Respect – the way we treat all people
- Innovation – We strive to constantly up our game
- Stakeholder focus – the stakeholder is king
- Professionalism – we benchmark against the best
- Diversity – strength that binds
- Integrity – we act accordingly and encourage reciprocity
- Teamwork – in the service of our stakeholder we are one.



POLICY MANDATES

Legislative and Other Mandates

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) and operates within the following mandates:

Constitutional Mandate

The sections within the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) that guide the operations of the BANKSETA include the following:

- Promoting and maintaining high standards of ethics
- Providing service impartially, fairly, equitably and without bias
- Utilising resources efficiently and effectively
- Responding to people's needs; the citizens are encouraged to participate in policymaking
- Rendering an accountable, transparent, and development-oriented administration.

Legislative Mandates

BANKSETA is governed by the following legislative mandates:

- Skills Development Act 1998 (Act No 97 of 1998) as amended by Act 26 of 2011
- Skills Development Levies Act, 1999 (Act No 09 of 1999)
- regarding Monies Received by a SETA and Related Matters

Regulations published in the Government Gazette, No. 35940, 03 December 2012, Policy Mandates BANKSETA aligns its skills development activities to five key national strategies and plans: the National Skills Development Strategy, the Strategic Integrated Projects, the National Development Plan, Government's 9 point plan and the State of the Nation Address 2018. Sectoral Strategies are also important to skills planning. The Financial Inclusion Strategy, Regulation and the Financial Services Code, are important strategies impacting skills planning for the banking sector. The main drivers of transformation in the financial sector have been the FSC and the Broad-Based Black Economic Empowerment Act.

The National Skills Development Strategy The NSDS III effective 2011 – 2016 and extended to 2020 has provided the framework for all BANKSETA targeted interventions and is aimed at achieving a skilled and capable workforce that contributes to and shares in, the benefits and opportunities of economic expansion and an inclusive growth path. The Strategy is aimed at increasing access to high quality and relevant education and training and skills development opportunities, including workplace learning and experience, to enable effective participation in the economy by all South Africans





BANKSETA has identified the following five strategic skills development focus priorities to which relevant projects are implemented and the sector skills needs are aligned in the SSP:

- Technology, Digitisation and Innovation
- Compliance and Risk Management
- Management and Leadership Development
- Markets, Products and Services
- Customer Centricity

The utilisation of technology to meet customer needs is re-shaping the political, economic, social and legislative landscape. The changing customer needs across global markets proved to challenge the banks' creativity and innovation in the development of agile and relevant markets, products and services. For the sector to retain its market share, it must possess the skills necessary to offer products and services to both its local and global markets.

It is important that constituent employers, sector partners and higher education training institutions including schools be informed of relevant information on the skills needs required by the banking and alternative banking sector and the national skills priorities of the government and BANKSETA is positioned to provide the required support in this regard.

BANKSETA works towards increasing the levels of investment in education and training so that work-seekers find work, retrenched workers re-enter the market and employers appoint qualified employees. Transformation is the largest component of BANKSETA's mandate, guided by the national strategies and equity targets of 85% black, 54% female and 4% disabled. Also certain factors such as lack of skills, experience and length of unemployment may increase the vulnerabilities of young people in the labour market. To curb the looming crisis of unemployment, young South Africans should always be at the centre of South Africa's economic agenda. Employment and entrepreneurship enable people to improve their living conditions, therefore allowing them to contribute to the advancement of the country and BANKSETA continues to strive to make an impact in this way. It is essential to educate and endow people in this situation with skills, on the one hand, and then to create work opportunities for them, on the other. Entrepreneurial activities are important as well. Education and training alone cannot generate economic growth or guarantee employment. Yet, by the same token, in a modern economy, economic growth depends on relevant knowledge and skills being available.

BANKSETA operates in a constantly changing environment. A number of factors are driving change in the South African banking sector and the country as a whole. Industrial revolutions have always dominated and changed the world in a big way. The initial industrial revolution occurred in the 18th century, the subsequent one in the 20th century, followed by the third half a century later, whilst the fourth was observed within three decades. By the speed these transformations are occurring, a fifth industrial revolution is already around the corner. The fourth industrial revolution has undoubtedly disrupted traditional job prospects, work patterns and career paths within the sector, hence the BANKSETA is committed to informing the youth about skills of the future in banking, upskilling and reskilling those who are already in employment about the potential of new technology and its subsequent impact. South Africa has to ride the digitisation wave and promote skills required in order to thrive.

The SETA's partnership with the Cooperatives Banking Development Agency has borne fruit over the years however more interventions are in the pipeline. The SETA is working on strengthening its focus on Small and Medium Enterprises (SMEs) and alternative banking initiatives and microfinance institutions in order to enlarge the number of cooperatives and SMEs. Transformation of the Sector is imperative and the BANKSETA has to fulfil the role of not only transforming the sector but be a key player in transforming the country where transformation targets relating to race, class, gender, age and disability targets are concerned. Expanding reach to the outlying rural areas is also a strategic deliverable that the BANKSETA is committed to.

Due to the digital divide, the rural area population is more often than not at a disadvantage whereby information distribution is concerned. The BANKSETA will further strengthen its reach into the rural areas in order for balance between rural and urban populations and service provision to be struck.

BANKSETA's future outlook includes the further strengthening of partnerships with institutions of higher learning, the measurement of programme impacts, tracking and tracing of beneficiaries, the promotion of co-opetition between stakeholders, solid focus on entrepreneurship, SETA collaboration initiatives and continuous research in partnership with industry associations and leaders in the banking and alternative banking sectors.

Organisational Structure

EXECUTIVE MANAGEMENT



Chief Executive Officer
Mr Trevor Rammitlwa



Chief Financial Officer
Ms Beaula Dziruni



Company Secretary
Ms Caroline King



General Manager - Operations
Ms Christine Fritz



**General Manager -
Corporate Services**
Ms Dimakatso Seete

DEPARTMENTAL MANAGEMENT



Manager – Supply Chain Management
Ms Hlamalani Baloyi



Manager – Finance
Ms Tendai Sithole



Manager – Marketing and Communications
Ms Busisiwe Lubisi



Manager – Quality Management
Ms Charmaine Janisch



Manager – Work Integrated Learning and Bursaries
Mr Similo Dlamini



Regional Office Manager – Limpopo
Ms Elelwani Netshituni



Manager – Youth Development
Ms Deerani Naidoo



Regional Manager – Eastern Cape
Ms Nobuzwe Mangcu



Manager – Skills Development
Ms Madeleine Pelzer



Manager – Project Management
Mr Brian Dhlwayo



Manager – Research
Mr Vuyani Ntanjana



Manager – Human Resources
Mr Lefaso Motsoeneng



Manager – Alternative Banking
Mr Shaun Starr

* Mohammed Kader - Head of Internal Audit (Resigned as effective from 18 January 2018).
- Photo not available by the time of printing





Part B: Operational Overview & Performance Information

RESEARCH

The Research Department is tasked to be a thought leader within the BANKSETA. It conducts cutting-edge research that informs the strategy of the organisation. The research conducted by the Research Department also informs the development of the Annual Performance Plan of the BANKSETA. This process is based on the Sector Skills Plan (SSP) Report produced by the Department. The SSP is a key document that is used for planning in the Sector for Education and Training Authority (SETA) environment. To have quality, reliable and authentic research information for the SSP, the Department analyses Workplace Skills Plans (WSP) data, engages with the banking and alternative banking sector in order to gain quality information on the needs of the sector. The Department also strengthens its research work through the use of research conducted by the BANKSETA Research Partners. The SSP research identifies skills gaps and skills mismatches and brings about the training needs to address that scarce and critical skills within the banking and alternative banking sector.

The Research Department is actively involved in the Fourth Industrial Revolution (4IR) Research through its research partners. The 4IR research focuses on digitalisation, cyber-security, mapping of occupations, career transitioning, and other related topical issues affecting the sector.

The Department is also busy with track and tracing survey and impact assessment studies as part of assessing and measuring BANKSETA's performance against its goals.

The Department funds Doctor of Philosophy (PhD) students who conduct research relevant to the sector. The theses produced through the PhD programme contribute to theory and knowledge

development on the banking and alternative banking sector hence it is a prerequisite that the research studies should focus on the sector.

The BANKSETA Research Partners: Currently, the Research Department has the following Research Partners:

- Rhodes University: For the development of the Comprehensive Monitoring and Evaluation Framework for all SETAs. This process will help SETAs to have standardized monitoring and evaluation processes.
- The University of the Witwatersrand: Focuses on digitisation and mapping of occupations research as a response to the 4IR challenges.
- Durban University of Technology: Focuses on digitalization and technology as part of the 4IR research.

The BANKSETA research feeds into the research of the Department of Higher Education and Training in terms of identifying skills gaps, skills mismatches and occupations in high demand in order to address the national priorities.

Based on the strategic objectives of the National Skills Development Plan, the Research Department is looking forward to conduct more cutting-edge research on the 4IR in order to address the needs of the sector, the national priorities that are informed by the National Development Plan in order to contribute to the advancement of South Africa.



SKILLS DEVELOPMENT

The Skills Department is responsible for the provision of skills development advisory targeting employees within the banking sector excluding alternative banking.

The Department covers the PIVOTAL, IEDP and IT Skills Funding Windows.

- PIVOTAL Funding Window: covers Bursaries, Learnerships, Skills Programmes, Candidacy Programmes and Recognition of Prior Learning (RPL). Candidacy programmes involve Board exams which are written through a professional body, e.g. Compliance Officer Qualification.
 - IT Skills Funding Window: this funding window is open to the banking and alternative banking sector as a whole. These covers short specialised courses and BANKSETA has received a very positive response from the sector with respect to this funding window.
 - Reskilling Funding Window: this funding is provided to employees who will or have become redundant due to retrenchments within the banking sector. Employees had been given a choice between two options – they could reskill themselves and move on to new positions within the banking sector; or
 - they could choose to accept the retrenchment offers and attend an entrepreneurial course they could use to start their own small businesses.
- IEDP is designed for the development of Senior Management earmarked for executive positions within a period of two to three years within the banks they are employed in. The main aim of the programme is to enhance the chosen delegates' leadership capabilities, strategic thinking, and leading digitisation. The IEDP comprised of two programmes being:
 1. **General Banking Programme** was delivered through the Henley Business School as a service provider. The programme had 20 delegates from various banks within the sector and was designed to have a South African, Africa and International Study Blocks. For the African study block, participants visited Tanzania and visited United Kingdom for the International study block. At the end of the programme the participants presented cutting edge research on various topics for the use by the banking sector. The programme was also pitched at NQF Level 8.
 2. **Investment Banking Programme** was delivered through Duke Corporate Education as a service provider. The programme also had 20 delegates from various banks within the sector. In addition to a South African study block, participants travelled to Nigeria and New York where they did company visits and research and lectures. The research has been produced to benefit the sector as well. The programme was also pitched at NQF Level 8.



IEDP: GENERAL BANKING (BENEFICIARY FEEDBACK)

I am originally from the Eastern Cape but now reside in Cape Town. I am married and have three children. I am fascinated by people and I tend to be curious about them and am passionate about all things that involve people. I am also mesmerised by innovation and more than anything, the main reason why I put my name up to be part of the BANKSETA International Executive Development Programme (IEDP), was that I am so aware of the huge need we have as a country, continent, and in the global space, which is Leadership and I want to stand up and be part of the solution.

My Career journey started off working at Totalsports in Welkom when I was 16yrs old, and never did I think I would be in a banking environment at all in the future. It was a career that seemed and looked far away and “closed off”, with no excitement. After completing my Degree at Rhodes University I was fortunate to have an opportunity to join Unilever SA in Durban through their graduate programme and that began my Fast Moving Consumer Goods (FMCG) experience that span across 11yrs and finally ending off at Tiger Brands before switching to the Banking Sector. Through these years I have had sales, trade marketing and channel management roles.

African Bank caught my attention and presented an exciting challenge. A month after they came out of Curatorship, there was a new direction and new energy about the organisation and an appetite to do things differently. Looking back, the excitement of taking up a role and joining the company that was and is hungry to delight clients as well as through innovation, advance lives, was a chance I was glad to grab with both hands. I am currently a Regional Manager in African Bank based in the Western Cape and a change agent in the bank.

If President, Cyril Ramaphosa had been the President of the country back when I started my journey started, I think my motto for the Journey would have been “Thuma mina”. There are things that books will not always teach you, but as you get put in different situation, engage with different people, exposed to different societies and glean knowledge from many of those with sometimes grey hair and loads of wisdom, one’s perspective begins to change and in a sense evolved too. The IEDP programme had a multi-dimensional design approach consisting of local and international educators, discussion groups, case studies, immersion, company visits and networking opportunities. The overall theme was leading with humanity and sub-themes focused on Cultural Leadership, Global Leadership, Agile Leadership, Ethical Leadership Technology in Leadership, Change Leadership, Personal Leadership Attributes, Leading with Humaneness and Leading as a collective

The BANKSETA IEDP journey challenged firstly the self. The gravity of the fact that if one does not know their own self and what they stand for then the journey of leadership has not begun. I believe it is because this element is settled in one’s self, knowing self means that someone can truly be agent of change.

I believe the programme in a titanic way brought home the reality of Ethical leadership and humanity in leadership and this sunk deep in our hearts as candidates. In a manner, our obsession with integrity, Ethical leadership and humanity in leadership was heightened beyond what we thought before and how we view leadership has been wrapped around these two dynamics.

Change leadership was the one closest to my heart. The reality that change is not over there, but it is firmly in the convictions, mind-sets, will of individuals that are selfless, humane, with integrity, and an appetite to embracing of diversity and inclusion. L-Mutatio, the syndicate group I was part of together with Lizette Perold, Amanda Latagan, Aslam and Renier Meintjes, demonstrated to us that even just a few individuals, working full time jobs, with families, are able to come together and create a solution that would create and inspire other change leaders to make a difference for the greater good. Through the BANKSETA IEDP programme we have learnt that leadership is not position but rather a disposition, humane leadership is not a soft conversation but a critical need in our business world and the responsibility for a better industry, better South Africa, Africa and the rest of the world.

The banking industry is going through some of the most eventful times in its history and it operates in fierce competition and volatile global markets. The programme required us to be globally exposed, ethically driven and change ready. And I believe we met these objectives and it was aligned to what our industry is yearning for.

Where my professional life is concerned, there is a greater responsibility that I take as a leader. I would say that I am more accountable when it comes to leadership. I am also intentional, for instance I have ran a small workshop with my team on leadership over one of the management meetings we had a few months back, I have prescribed free online learning programmes as a way developing my reportees to encourage the importance of continuous self-learning. I believe I have become brave as a leader. I have become aware and comfortable with the fact that ethical and change leadership bears scars along the way but for what is right, what is fair and what is just, I must stand.

I also see that how I show up begins to inspire and encourage my peers in their leadership journey and as a result we become a more progressive leadership team and through the change we drive we begin to propel the organisation to be equipped to deal with the unknown future. It is still a journey but we are on it nonetheless.





YOUTH DEVELOPMENT

The Youth Development Department is tasked with upskilling unemployed youth.

The banking sector representatives play a vital role in selecting applicants for youth development programmes as steering committee members through a process of engagement with the BANKSETA. Each steering committee is made up of employers, and they set the minimum selection criteria for the youth development programmes as they fulfill the role of being host to the learner beneficiaries for a period of twelve months. Nedbank, First Rand, ABSA, Standard Bank and South African Reserve Bank, are represented in the committees, and the South African Reserve Bank (SARB) representatives represents the medium banks.

PIVOTAL grant funding

PIVOTAL grant funding projects target the Professional, Vocational, Technical and Academic Learning (PIVOTAL) that result in occupational qualifications or part qualifications on the National Qualifications Framework (NQF) framework.

BANKSETA has specific criteria for employers applying for funding for PIVOTAL grants. and in order to qualify, they have to comply with set requirements. PIVOTAL funding allows the banks as employers to train and develop the youth in the banking sector and to develop required skills sets for unemployed youth.

Challenges

Although BANKSETA 's leanerships and programmes are in high demand, there are insufficient hosts companies to provide the unemployed youth with workplace exposure. BANKSETA is also continuously improving its offerings by receiving feedback from both employers and beneficiaries skills because there has to be a match to the skills requirements by the banking sector. Another challenge is absorption of beneficiaries in rural areas where it is challenging to get employers to host the learners.

Other overall challenges in the banking sector is the extremely fast pace changes in job requirements making it a challenge to keep learning relevant. Technological advances brought about by the Fourth Industrial Revolution and Artificial Intelligence have a considerable impact on the SETA's offerings.

The Letsema and Kuyasa learners have become brands on their own as a number of people recognise these BANKSETA

programmes as having a positive impact in the sector. The Kuyasa learnership Programme also offers a Generic Management qualification stream, and another stream offering a Business Analyst qualification. The BANKSETA keeps adding new streams so that the offerings become more tailor-made to what the sector needs and are aligned to the direction that the sector is moving towards.

Attributes of the success of the programmes

Several attributes make the BANKSETA Youth Development programmes a success;

- BANKSETA works in consultation with the sector;
- Relevant programmes that respond to the banks' skills pipeline requirements;
- Commitment of the employers to host the learners for the duration of the programmes;
- Quality training provision,
- A suitable learner support mechanism,
- Monthly one-on-one sessions with Learner support coaches and Individual reporting,
- Assessment of how beneficiaries cope with academic, work and home demands;

At the beginning of the programmes, the BANKSETA runs a work-readiness workshop, to motivate and guide the learners.

The work readiness programme workshop includes:

- Workplace dress code,
- Workplace behaviour,
- Business communication and etiquette,
- Teamwork.

BANKSETA Youth programmes also support governments objectives of rural development by reaching out to as many rural communities as possible.

Post programme tracking of learners

The Youth Department tracks learners for up to six months after the completion of the learnership programme, and for the period under review (2018/19) the employment rate is above 70%.



YOUTH DEVELOPMENT (BENEFICIARY FEEDBACK)

Mmasetane Joyce Maloka is one lucky woman, from the Limpopo Province, Polokwane. She studied at the University of Johannesburg from 2012, completing her Diploma in Accounting in 2014. Her studies were funded through NSFAS. In 2016 she registered with UNISA, for an Advanced Diploma in Auditing, which she was unable to complete. She planned to work for an auditing firm or a bank, using these industries to gain experience in either accounting or auditing.

A former school mate told her about the BANKSETA Kuyasa Learnership, and she heard how she would be placed at a bank and would be afforded an opportunity to study at Milpark Education. She applied in 2016 and was unfortunately not accepted. She applied again the following year and was lucky enough to be part of the 2018 learnership.

Before the learnership, she had assumed that the only jobs available at banks were teller jobs. She discovered

that there were housing and car finance departments. She was placed in the Finance Department within the Public Sector Division.

She learnt a lot of things, which were not covered in her university coursework. Working at the bank taught her about the importance of confidentiality and ethics. She can't just tell people about the things that are happening at the bank.

She gained a lot of knowledge on how the bank works. She was also studying at Milpark Education, where she gained another qualification. She has now gained presentation skills and it has given her a lot of confidence. She studied: Finance, HR, Marketing and Managing People at Milpark Education. Mmasetana feels empowered by BANKSETA and knows she can give someone already working at the bank a run for their money because of the things she has learnt in the year she spent on the learnership.

Lehlohonolo Rantho's story is one of tenacity being demonstrated by this young woman. She never gives up, nor does she wait for things to fall on her lap. She matriculated from Edward Phatudi High School in 2010. She then went on to study at CTI, only to spend six months there. She then went on to study at the University of Johannesburg. She studied her Economics and Econometrics Degree for two and a half years, only to drop out in 2014. Being the woman she is, she decided to work as a promoter for Isilumko Student Wise.



Letsema Learnership programme
Ms Lehlohonolo Rantho

Her life changed the day she was in the Gautrain and one of the passengers told her about BANKSETA. She applied in 2015 and 2016, but was unfortunately not being selected as part of the Letsema Learnership. Someone advised her to try her luck again in 2017, but this time she was advised to hand in her application a day before the closing date. She tried again, but things still didn't change.

One of the beneficiaries of the learnership told her he was no longer interested in the learnership as he had gained employment. She offered to be selected in his place and was unsuccessful. She approached the organiser to give her an opportunity. From taking that chance, she was

called two weeks later and was officially inducted into the BANKSETA Letsema Learnership.

She served her learnership at FNB Centurion Mall. Before the end of her learnership, she on her own went to her manager and told her she can't afford to lose her, they needed her. She sold herself to her Manager and told her how customers loved her and they needed her. She wants to be the one who stands out from the rest and get noticed. With this attitude and her drive, she managed to gain permanent employment with FNB.

At the time of the interview she was at her new job induction. She is now a part of the permanent staff. She is being trained to become multi-skilled employee, and she has already seen where she will fit within FNB. Lehlohonolo is planning to become an Economist for FNB in the future. This has been part of her plan all along as she was passionate about Economics while she was still at High School. She admitted that her Economics teacher was boring, but she still loved it.

This Letsema success story beneficiary is planning to complete her Degree and become the Economist she has always wanted to be, because she owes it to herself to complete her Degree.

WORKPLACE INTEGRATED LEARNING (WIL) & BURSARIES

The Department's fundamental focuses on unemployed youth. They have implemented five significant programmes over the 2018/2019 financial year.

- Higher Education Funding Window Project – It is a bursary scheme, aimed at public universities. The universities apply for funding from BANKSETA, for courses focused primarily in Commerce and ICT, i.e. BCom Accounting, BCom Finance and Information Technology, BCom Informatics and BSc. There are links between these studies and the Fourth Industrial Revolution that has gripped the world and the South African economy and the future of jobs. Funding was awarded to different universities for programmes they have applied for. Thereafter the universities allocate the funds to various students towards their studies. The institutions targeted academically deserving students who did not have the means to realise their educational aspirations including students falling in the category of the missing middle. The project primarily focused on undergraduate students who were about to complete their Degrees – the funding project granted support to 16 universities across the country.
- WIL Programmes – This programmes targeted Universities of Technology (UoT) and TVET college funded students who completed the theoretical element of their studies and required to complete a practical module in a workplace in order to complete their qualification. The SETA funds Universities and TVET's for this programme, which they have to apply for during the funding window period. They, in turn, identify students with the potential to complete their practical module and then allocate funds and even find them companies for their practical module in order to complete their studies.
- NSFAS Project – BANKSETA took an initiative to partner with NSFAS to assist financially deserving students. The scheme funded bursaries and settlements of outstanding debt on behalf of students as follows;
 - o Bursaries were awarded to students that are currently studying towards their Degrees.
 - o For settlements funding was awarded to support students who had completed their studies and had outstanding fees at their institutions, hindering their ability to graduate. The programme financed NSFAS which would in turn paid outstanding funds to universities.
- Work Readiness Programme targeted graduates in the ICT field who obtained their qualification, Diploma or a Degree. BANKSETA identified companies to host find the graduates for 12 months. The goal was to offer them an internship to make them more employable in the future. The programme was implemented in three provinces: Gauteng, Western Cape and KwaZulu-Natal. The 250 learners that benefitted from the programme received a monthly stipend.

WORKPLACE INTEGRATED LEARNING & BURSARIES (BENEFICIARY FEEDBACK)

Itumeleng Malalane, was born in Soweto and grew up in Tembisa, he completed his High School in the Vaal.



Bursary Beneficiary
Mr Itumeleng Malalane

Itumeleng's life is one filled with hard work. His Under Graduate Degree was funded by PEPSICO, his mother's employers. It took hard work and commitment from him to keep his first bursary as he had to meet certain requirements in order for him to continue receiving funding until he completed his Degree.

After completing his Under Graduate Degree, his former funders planned to move and he was left without any funding for his studies. He describes himself as an optimist and never allowed that hurdle to put him off his plan to continue with his Honours Degree. His final year Computer Science lecturer told him and also recommended him to receive a bursary from the BANKSETA. He received information about his bursary through the School of Computer Science at the University of the Witwatersrand. He looked at the requirements and felt he was the perfect candidate to receive the bursary because he ticked all the boxes in terms of the requirements. His lecturer also helped him in attaining his dream by recommending him to be a recipient of the bursary.

While in High School Itumeleng developed an interest in Computer Science and Mathematical Concepts. He also researched his career choice and saw a gap that existed in

the market. He therefore resolved to choose a career as a data scientist having noted that it is short supply. This was the reason behind him getting involved in Data Analytics. Everything he has learnt so far was important in terms of his career path.

He even mentioned the fact that he researched a topic on the Fourth Industrial Revolution from research papers published by the BANKSETA. This very resolution prepared him for his career, and he was reassured that he made the perfect choice in guaranteeing his future as his skills would not be affected by digitisation. He foresees the next 10 years jobs will be changing and he was looking into helping people in the job market, looking at scarce skills and prepare learners for new jobs that are not existing at present. His choice was mainly based on staying relevant and work in a field where his skills would always be in demand.

Itumeleng is an innovator, already looking at merging Data Analytics with Psychology. He feels banks need to understand their market, because of the fact that technology is moving towards the people. Technology, he feels, is an intermediary between people, and it will affect society in a big way.

He is already looking into the future and looking at ways to use technology and also having an understanding of how people will be experiencing the effects of digitisation in the future.

ALTERNATIVE BANKING

The Alternative Banking Department has a mandate to serve Small Medium Enterprises (SMEs), defined as employers with less than 50 employees as well as Corporative Financial Institutions (CFIs), Development Financial Institutions (DFIs), Industry Associations, Rural Community Development and Entrepreneurship Development. The Executive Leadership Development Programme (IEDP) was also designed for executives in the sector with an academic bias towards development finance.

The Department mainly deals with the unbanked, the most vulnerable, people who are not currently involved in transactional banking. All initiatives of the department seek to address the inclusive finance economies.

The Alternative Banking Department offered the following programmes in the 2018/2019 financial year:

- **SME Development:** Through this programme employers, submitting Workplace Skills Plans (WSP) falling below the 50-employee threshold were supported through skills development and various training initiatives. The SETA opened a funding window for this purpose; SME's were allowed to access funding that would assist them to operate their businesses efficiently. The funding created an opportunity for SMEs to look at the higher and broader bouquet of skills to get the businesses stronger as identified in the BANKSETA SSP.
- **Entrepreneurship Programme:** This programme intended on strengthening start-ups and existing entrepreneurs. The Department designed an eight-week-long course that combined theoretical training, coaching and mentoring. The course had skills modules being: Basic financial accounting,

Tendering, Marketing and Business planning. They also included commercial and new venture creation modules. The programme was a success, especially the coaching and mentoring component. The SETA assigned Influential business leaders as coaches for this course.

- **Cooperative Development Project:** This programme targeted registered Cooperative Financial Institutions (CFIs). The project was implemented in collaboration with Cooperative Banking Development Agency (CBDA), which monitors CFIs. In the last financial year, 33 CFIs and three Cooperative Banks were supported: The training focused on the skills development of the CFI Governing Boards and their members.
- **Rural Development Project:** The project aimed to support rural SME's through workshops in financial management. Only beneficiaries from rural communities were encouraged to participate in this initiative.
- **IEDP(Development Finance):** This was Alternative Banking department's flagship programme, where 20 executives and senior managers from the development finance sub sector were chosen to participate. Participants were chosen from regulators, DFIs, CFIs, government intermediaries, rural housing and the microfinance sector. The course took participants to Ghana, Tanzania and Brazil with local study blocks to cover the local context of development finance. The course content included regulatory frameworks, savings models, developmental credit products, informal savings models and financial literacy.



INTERNATIONAL EXECUTIVE DEVELOPMENT PROGRAMME DEVELOPMENT FINANCE

Julanda Vos is an experienced Marketing Executive in the financial services industry. Her career started off in advertising, managing various brand accounts across Africa, after which she moved into corporate marketing management.

She has a Business Communication Degree from the North West University and a Master's Degree in Strategic Marketing Management from the Wits Business School.

Financial inclusion is a concept she had taken for granted until she started with the BANKSETA programme. She realised that a majority of South Africans are in fact financially excluded as a result of many factors outside their control. She admired the opportunity to experience first-hand how other countries such as Tanzania overcame similar obstacles through, e.g. Fintech solutions in the form of mobile banking. Hoping South Africa's regulatory environment will become more flexible in the near future to enable local Fintech solution providers to provide the desperately needed access to basic financial services to those currently excluded.

The programme divided the team of 20 candidates, which were further separated into four Syndicate Groups of five

members. Each group was given a specific topic related to financial inclusion which had to be researched and presented in the form of a dissertation/mini thesis. Her Syndicate Group focused on the importance of financial education in an effort to enhance financial inclusion and conceptualised a concept to financially educate informal entrepreneurs via a smartphone application that worked on a gamification and rewards principal. Her syndicate Group received the reward for best concept proposal (i.e. best Syndicate Group) and she hopes they would be able to realise the concept into a workable solution in years to come.

"Yes, the programme met my expectations, besides the knowledge gained on the subject of financial inclusion, I thoroughly enjoyed the insights and experience the 20 diverse candidates brought to the programme."she states.

The programme impacted her life as she realised that she wanted to make a difference in peoples' lives. A difference that you can only achieve if you follow your passion in an individual/entrepreneurial way.

SMALL MEDIUM ENTERPRISE DEVELOPMENT

Esmeralda Mlandu has had a passion for figures and accounting since she was still in high school. She started working at the age of 16 when she joined the retail sector and worked her way through to the finance Department. She is currently a Junior Bookkeeper and studying towards an Accounting Degree.

She attributes the upliftment of employees' quality of life to the programme. She describes it as a user-friendly and believes it has provided plans needed within organisations to help grow both the employees and the organisation simultaneously.

The programme has allowed Mlandu to grow professionally and has advanced her career. Learning has become more exciting, and she has formed lifelong networks.

She is thankful to the SME development programme for the opportunities that have exceeded her expectations; she can now graduate. She can realise her dreams due to the exposure offered by the programme.

She has attained skills that have enabled her to make a success of her role within her working environment.

Mlandu seems to have gained more than knowledge and skills; she has now set a goal to start her accounting firm after completing the course.

QUALITY MANAGEMENT

The Quality Management Department is mandated to ensure that the quality of training is of a high standard. The BANKSETA does its quality assurance through moderation and verification of assessments and additionally focuses on capacitating and accrediting training providers in its area of primary focus.

Quality Management ensures that;

- Assessors and Moderators are trained
- Education and training in the the banking and microfinance sector is monitored
- That training providers are accredited and monitored,
- Development of relevant qualifications take place for the sector

TVET partnerships

1. Generic Management Qualifications

BANKSETA has partnered with TVET colleges to assist them to be capacitated to offer Generic Management in Banking qualification. The objective of the programme is to enable TVET colleges to supply relevant skills to the banking sector. As part of this programme TVET college lecturers were trained to deliver the qualification including the use of the training material made available to these institutions.

Verification, and certification of qualifications

The department was responsible for verification and certification of qualifications and has met its target for the 2018/19 financial year.

MATHS AND SCIENCE PROJECT

Casly Lelengwa is a young man with bigger dreams in life, 20 years of age from the Ga-Malekane village. He grew up in a highly disadvantaged environment, from a family of seven. He completed his Grade 12 in 2018 at Gobetse high school, where he initially got introduced to BANKSETA.

The BANKSETA Maths and Science programme is very beneficial and provides learners with appropriate tools for their success in their High school studies. It creates a stimulating environment where learners are encouraged to improve in the targeted subjects such as maths, science and accounting.

The course on its own has advantages to learners such as providing the best teachers, a proper meal is also served to grade 11 and grade 12 learners who are beneficiaries and transport money is provided for those who come from far.

Casly has learned a lot but what he cherishes most is that being in the BANKSETA programme motivates him to work hard, to engage better with others, to persevere and to be creative.

“The Maths and Science class went beyond my imaginations; it made every learner enjoy weekend lessons. BANKSETA should implement it in every school to increase the morale of learners because it certainly does that.”

He is currently studying Human Resource Management at the University of Limpopo as a first-year student, grateful to have taken part in the weekend programmes, as no one knows what would have become of him had the BANKSETA not funded him and others.

Kenny Tsotetsi from Dichoeung (ZB), attended high school in Lehwelere Matlala Secondary in Limpopo and finished his matric in 2018. He comes from an disadvantaged background. For more than four years, he has been staying alone at home, after mother passed away in 2015.

He acknowledged and respected his father, even though he barely came back home. What Tsotetsi loved about his father was that he encouraged him to keep on studying hard.

The BANKSETA programme helped him do well in high school, which is very important as it improves the knowledge and skills of learners. Maths and Science are key subjects for youth that aim to reach greater heights and who have curious and critical minds.

The fact that teachers that were facilitating the programme are highly educated provided learners with the confidence in their studies. “I have gained many techniques in solving maths and science problems. I have excelled in topics such as Probability, Chemical Equilibrium and Fertilizers” he says.

After completing his matric, Kenny was funded by the local municipality to study at Sefako Makgatho Health Sciences University. He is currently studying medical degree (MBChB) specialising in Neurology.

“I would to thank the BANKSETA for providing me with an opportunity to change my life” He concludes.



Maths and Science project beneficiaries



CAREER GUIDANCE PROJECT

The purpose of the project is to promote the banking and microfinance sector as a dynamic sector and banking as a career of choice to a wide target audience including but not limited to:

- Unemployed youth and the general public
- Employed people within the sector
- School learners and students
- Life orientation teachers

It is through this project that the BANKSETA partners with Community Based Organisations, Non-Governmental Organisations, SETAs and education specialists in the hosting of career guidance exhibitions and the training of life orientation teachers in order for them to disseminate information relating to the skills requirements of the banking sector. This objective is achieved through communicating information on scarce and critical skills and competencies required in the sector.

It is in this regard that the SETA stays up-to-date through its research initiatives and partnership in order to communicate career information that is relevant to the current skills landscape as the fourth industrial revolution calls for constantly informed citizens. Through the Life Orientation Teachers (LOTs) project, the BANKSETA has reached out to outlying rural areas in KwaZulu-Natal, Mpumalanga and Limpopo in the year under review resulting in 1400 LOTs being trained and career booklets being distributed. Feedback received from life orientation teachers was quite impressive and there has been calls from the department of basic education to work with the BANKSETA to sustain the partnership.

STAKEHOLDER SATISFACTION SURVEY

The BANKSETA team is humbled by the stakeholder responses received for 2018/19 financial year. In the 2017/18 financial year, the Stakeholder Satisfaction Survey results score was at 3.1 out of 5 and it is with excitement that we announce that the score has

improved to 4.2 out of 5 in the 2018/19 financial year. Living by the organisations values of professionalism, integrity, team work, stakeholder focus, innovation, embracing diversity and respect remains important and the stakeholder feedback is welcome.

STAKEHOLDER ENGAGEMENT

The SETA has reviewed its stakeholder engagement strategy which is aligned to the corporate strategy and the balance score card. Although the BANKSETA has had sustainable partnerships and collaborations with various stakeholders, the board, management and staff are of the view that more robust engagements have to take place in order for the BANKSETA

to stay relevant and initiate relevant strategic partnerships at all levels. This is an ongoing process which seeks stakeholder participation and feedback and through such relationships, the BANKSETA and the banking sector will achieve respective goals through collaboration.



Career



Performance Information by Programmes

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Programme 1 : Administration								
Strategic Management								
Sub Programme 1.1								
Description	Co-ordinate the development of BANKSETA Strategic and Annual Performance Plans and co-ordinate monitoring of the implementation of plans and report progress on their implementation							
Responsibility	Chief Executive Officer							
Strategic Objective 1.1	To co-ordinate planning, monitoring and reporting on implementation of BANKSETA plans							
	Approved Strategic And Annual Performance Plans	Strategic and Annual Performance Plan Approved	Strategic and Annual Performance Plan Approved	Strategic and Annual Performance Plan Approved	Conduct annual review of the SP and APP and submit for approval	SP and APP Approved	-	Target achieved
	Number of quarterly implementation reports	4	4	4	Quarterly Reports submitted to the Executive Authority and National Treasury	Quarterly Reports submitted to the Executive Authority and National Treasury	-	Target achieved
	Audited Annual Report	Audited AR approved and submitted within stipulated timeframes	Audited AR approved and submitted within stipulated timeframes	Audited AR approved and submitted within stipulated timeframes	Submit audited AR to National Treasury and Parliament by due dates	Audited AR approved and submitted within stipulated timeframes	-	Target achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Sub Programme 1.2	Optimal human resource capacity							
Description	To recruit, develop and retain the right people, in the right positions and implement an effective performance management system throughout the licensing period of the BANKSETA ensuring the retention of Investors in People Standards recognition							
Responsibility	General Manager: Corporate Services							
Strategic Objective 1.2	To recruit, develop and retain the right people, in the right positions and implement an effective performance management system throughout the licensing period of the BANKSETA							
	Average % of funded posts which are vacant over a quarter	-	<10%	<10%	<5%	14.06%	9,00%	9 positions of the 64 posts were vacant as at end of March 2019. A freeze was placed on 2 of the positions.
	% of performance agreements and reports submitted on time	-	-	-	100%	100%	-	Target achieved
	% targets of workplace Skills Plan achieved	-	-	-	70%	74%	4%	This target was exceeded due to additional training interventions identified during the course of the year.
	% targets of EE Plan achieved	-	-	-	90%	89,09%	-0,91%	Target not achieved as the entity is still under represented with a white male candidate at professional level and with a coloured and white males at junior level.



Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	% of disciplinary cases finalised within the timeframe	-	-	-	-	-	-	-
	Investor in People recognition achieved	-	"Developed" Status	"Developed" Status	"Established" Status	Retained the Recognition at an "Established" Level	-	Target achieved
	Employee Satisfaction Index	-	-	3.7	3.5/ 5	3.1	3.1/5	Target not achieved as there was a decline from specialists (57% to 50%) and managers (33% to 27%) participation a compared to the 2017/18 participation.
Sub Programme 1.3 Communication and Brand Awareness								
Description	Develop a communication strategy and plan for media engagement, and stakeholder liaison and communication with the public to increase brand awareness and ensuring increasing levels of stakeholder satisfaction							
Responsibility	General Manager: Corporate Services							
Strategic Objective 1.3	To promote internal and external communication on the work of BANKSETA							
	Approved Annual Communication Plan and quarterly reports on implementation of the plan	-	-	-	80%	96%	16%	Target achieved and exceeded as there were more career exhibitions held than what was planned.
	Stakeholder satisfaction rating	4.12/5	4.2/5	3.1/5	3.5/ 5	4.2/5	4.2/5	Target achieved as there were more stakeholders responses as compared to 2017/2018 year.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Business Boardroom Sessions held	3	1	2	2	2	-	Target achieved - Stakeholder engagement happens in many forms including through workshops, partnerships, etc. Finance Indaba in partnership with SASBO occurred; African Expansion Conference took place
	BANKSETA Quarterly publication produced and distributed	-	-	-	4	3	1	Target not achieved as content was insufficient and relevant to produce a worthy publication in quarter 3.
Sub Programme 1.4								
Description	To provide ICT Infrastructure and business applications including disaster recovery to support business continuity of BANKSETA to deliver on its mandate							
Responsibility	General Manager: Corporate Services							
Strategic Objective 1.4	To implement and realize benefits from ICT solutions in doing the work of BANKSETA							
	% Achievement of ICT Systems standards as stipulated in the standards document	-	-	-	80%	100%	20%	Target achieved and exceeded. Currently the following standards/procedures exist: Anti-Virus Management Process, Patch Management Process, User Account Standard and Procedure, Data Backup and Restoration Procedure, and Change Request Process. No compliance related incidents (tickets) were logged. Reviews by internal and external audits did not find any deviations.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	% Achievement of targets in the business applications plan and systems availability	-	-	-	80%	99.75%	19.75%	<p>Target achieved and exceeded. The business applications plan is incorporated in the approved IT strategy for 2016 to 2018/2019. It includes the following business application related targets:</p> <p>Ensure support and maintenance of the MIS system;</p> <p>Ensure support and maintenance of the AX system;</p> <p>Ensure training is conducted for all users of the system;</p> <p>Ensure update and maintenance of the website and intranet.</p> <p>All these targets were met. The availability of systems (99.5%: 13 work hours downtime: 3107/3120 hours). Actual = $(100\% + 99.5\%) / 2 = 99.75\%$</p>

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	% Compliance to ICT Governance Protocols	-	-	-	80%	83%	3%	Target achieved
	Data availability and Data Integrity	-	-	-	Service Provider deliverables, including problems and system errors resolved	100%	-	Target achieved
Sub Programme 1.5 Financial Management and Reporting								
Description	To promote overall financial efficiency as measured by prudent financial management and compliance with prescripts and policies governing public finance by strengthening financial management practices in the areas of budgeting, expenditure monitoring and reporting							
Responsibility	Chief Financial Officer							
Strategic Objective 1.5	To achieve unqualified audit opinion on financial statements							
	% of valid invoices paid within 30 days and cases where non-compliance leads to disciplinary action	-	-	-	100%	99,96%	-0,04%	Target not achieved because of delays in submitting evidence and close-out report.
	Admin costs controlled within benchmarked limit of less than 10% of levies income	<10%	<10%	<10%	<10%	<10%	-	Target achieved
	% Wasteful and fruitless expenditure	0%	0%	0%	0%	0,19%	0,19%	Target not achieved because of non-compliance to legislation.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	% adherence to Annual Procurement Plan including timelines	100%	100%	100%	100%	25%	75%	Target not achieved. Timelines not achieved due to additional review processes implemented to ensure quality and compliance in addition some processes need to be streamlined and improved to ensure efficiencies
	% SCM compliance to NT and cost containment measures	100%	100%	100%	100%	99,81%	-0,19%	Target not achieved as there was an irregular expenditure identified as a result of non-compliance with legislation.
	Financial and SCM reporting	Reporting done	Reporting done	Reporting done	Reporting done	Reporting done	-	Target achieved.
	Unqualified audit opinion on financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	-	Target achieved.
Sub Programme 1.6								
Description								
Periodic risk assessment and audits on compliance with laws and regulations to identify potential risks and governance weakness								
Responsibility								
Company Secretary and Head of Internal Audit								
Strategic Objective 1.6								
To promote good corporate governance practices and management								
	% Organisational compliance with all applicable legislation, regulations and policy	-	-	100%	100%	99,81%	-0,19%	Target not achieved.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Approved risk management plan and quarterly progress reports Approved internal audit plan and quarterly monitoring reports	Risk Register updated, approved and reported on Plan submitted, approved and reported on	Risk Register updated, approved and reported on Plan submitted, approved and reported on	Risk Register updated, approved and reported on Plan submitted, approved and reported on	Risk Register updated, approved and reported on Plan submitted, approved and reported on	Risk Register updated, approved and reported on Plan submitted, approved and reported on	- -	Target achieved. Target achieved.
Programme 2: Skills Planning								
Sub Programme 2.1 Mandatory Grants								
Description	Develop a sound system for the approval of employer WSP/ATR submissions for the approval of mandatory grants claims and the provision of valid labour market data ensuring that qualifying levy-paying employers receive their mandatory grants within regulated timelines							
Responsibility	Head: Skills Planning							
Strategic Objective 2.1	Approve WSP/ATRs to support Mandatory Grant Claims							
	Participation rates of employers in WSP process	-	-	-	Total: 373 Large: 92 Medium: 41 Small: 240	Total: 442 Large: 76 Medium: 51 Small: 315	69	The overall target has been exceeded due to increased and sustained support to employers to ensure they submit their WSPs i.e. one on one coaching, information sessions, telephonic support and workshops. It must be noted however that the size or levy-paying status of an organisation is not static and organisations move between categories depending on: increase in size, decrease in size, remuneration bill and / or part of a holding organisation. One other aspect to note is that the DHET requires reporting on levy paying organisations only whereas this achievement includes non levy paying organisations as well.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Mandatory Grants Claims Ratio	95%	95%	95%	95%	97,35%	2,35%	More employers than anticipated submitted WSPs in the 2018/19 year
2.2 Research and Benchmarking								
Sub Programme 2.2	Research and Benchmarking							
Description	Develop an annual research agenda in line with sector skills planning requirements and the DHET post-school research agenda. Establish research partnerships with public higher education institutions through the funding support of Research Chairs who will be responsible for conducting research as outlined and approved in the research agenda in order to support skills planning and/or sector growth. The research conducted by the research chairs aligns to the 5 Skills Priority Areas as outlined in the Sector Skills Plan.							
Responsibility	Head: Skills Planning							
Budget	R5 150 000.00							
Strategic Objective 2.2	Sectoral skills needs are researched, documented and communicated to stakeholders							
	Board Approved 3-year rolling research agenda submitted to DHET by compliance due date	Submitted to DHET by due date	Submitted to DHET by due date	Submitted to DHET by due date	To be submitted to DHET by compliance due date	Submitted to DHET by due date	None	The Research Agenda is part of the SSP and was submitted to DHET on 1 August 2018
	Number of Research Chairs appointed	-	-	-	5	12	7	12 Agreements signed with 3 Public Higher Institutions. The increased number was necessitated by the demand for more research assignments to be conducted

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Number of research reports and /or working papers completed and publications placed on knowledge portal as indicated in the Research Agenda	3	3	3	3	15	12	More papers were produced as initially plan. Research produced by the International Executive Development Programmes contribute to this number
	Annual BANKSETA Conference hosted	-	-	1	1	1	-	Target achieved.
Sub Programme 2.3 Annual Sector Skills Plan developed and approved by DHET								
Description	Sector Skills Plan meets the requirements of DHET, and provides a sound analysis of the sector and articulates an agreed sector skills strategy to address the identified skills priorities for the sector.							
Responsibility	Head: Skills Planning							
Budget	Nil							
Strategic Objective 2.3	A responsive, credible Sector Skills Plan is developed, approved by DHET and communicated to stakeholders and aligned to Strategic Plan and Annual Performance Plan							
	Annual SSP for 2019/20, approved by Board and submitted to DHET by compliance due date	SSP Approved and Submitted	SSP Approved and Submitted	SSP Approved and Submitted	SSP Approved and Submitted	SSP Approved and Submitted	-	Target achieved.
	Annual SP and APP for 2019/20, approved by Board and submitted to DHET by compliance due date	SP and APP Approved and Submitted	SP and APP Approved and Submitted	SP and APP Approved and Submitted	SP and APP Approved and Submitted	SP and APP Approved and Submitted	-	Target achieved.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Percentage integration of SSP, SP and APP to translate Sector Skills Plan into demand-based, high quality skills development interventions	-	-	-	60%	-	60%	Target not achieved. Currently no tool exists to measure the integration. Research is being conducted on the overall effectiveness and this component will be included in that evaluation.
	Fully integrated geographic information system as a skills planning tool	-	-	-	Fully integrated geographic information system as a skills planning tool	-	100%	Target not achieved. The system however has not been fully integrated. The tool has been developed as part of the BANKSETA MIS and will be populated using data from the April 2019 WSPs received
	% Evaluation rating of SSP, SP and APP against DHET evaluation criteria	-	-	-	65%	65%	-	Target achieved however it must be noted that the SSP, SP and APP has been approved by DHET but no percentage / rating is provided
	SSP, SP and APP communicated to stakeholders and placed on website	SSP, SP and APP communicated to stakeholders and placed on website	SSP, SP and APP communicated to stakeholders and placed on website	SSP, SP and APP communicated to stakeholders and placed on website	SSP, SP and APP communicated to stakeholders and placed on website	SSP, SP and APP communicated to stakeholders and placed on website	-	Target achieved
Sub Programme 2.4 Monitoring and evaluation of BANKSETA effectiveness and impact measured								
Description	Effectiveness and impact of outcomes of BANKSETA Strategy, Sector Skills Plan and APP evaluated and recommendations for improvements implemented. Tracing and tracking of beneficiaries to measure the effectiveness of skills development interventions (to measure impact and inform decision making regarding skills development interventions)							
Responsibility	Head: Skills Planning							
Budget	R2 000 000 (admin budget)							
Strategic Objective 2.4	Overall Organisational Performance evaluated and Impact of BANKSETA Programmes measured							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Overall Organisational Performance Rating	-	-	-	75%	-	100%	BANKSETA has commissioned research to develop a Monitoring and Evaluation Framework and tools for SETAs. This is done in collaboration with the National Skills Authority, DHET and other SETAs as integration and consistency is important. All the indicators under 2.4 will be addressed but only once the research has been concluded.
	Tracking and Tracer Study for WBL interventions to measure job placements for unemployed learners	-	-	-	Tracking of 80% of learners	-	100%	Target not achieved. Research to develop a tracking and tracing tool is still underway. And the procurement of the provider is still underway.
	Return on training investment (ROTI) for employed beneficiaries	-	-	-	For 80% of employed delegates	-	100%	Target not achieved. Research to develop a ROTI tool is still underway. And the procurement of the provider is still underway.
	Annual BANKSETA skills development interventions effectiveness assessment report	-	-	-	65%	-	100%	Target not achieved. The effectiveness assessment tool is still being developed. And the procurement of the provider is still underway.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Impact assessment for NSDS period 2016-2020	-	-	-	Report on 2016/2018	-	100%	Target not achieved. The impact assessment tool is still being developed. And the procurement is still underway.
Sub Programme 2.5	Stakeholder/Partnerships for Skills Planning and Implementation							
Description	Co-ordinate the implementation of BANKSETA stakeholder collaboration and partnerships plan ensuring a mutual beneficial relationships are established							
Responsibility	Head: Skills Planning							
Budget	R1 000 000 (admin budget)							
Strategic Objective 2.5	Key stakeholder / partnership relationships developed and strengthened, BANKSETA reach expanded and synergies capitalised on, for effective skills planning and implementation							
	Annual approved stakeholder collaboration and partnerships plan	-	-	-	Annual plan	Plan Developed	-	Target achieved
	Quarterly stakeholder engagement report	-	-	-	Engagement report	Report compiled	-	Target achieved
	Stakeholder/ partnerships health index	-	-	-	Stakeholder/ partnerships health index	Stakeholder / Partnership analysis	-	An analysis of current partnerships have been done in Chapter 4 of the 2019/2020 SSP. Going forward work will be done to improve the tool to conduct a health index.
	Inter-SETA collaboration	-	-	-	Collaboration with 2 SETAs	Collaboration with all SETAs through the Collaborative Research Working Group	-	Target achieved
Programme 3: Learning Programmes								
Sub Programme 3.1	Sector Learnerships							
Description	The aim of this project is to register unemployed learners (graduates or matriculants) on an appropriate learnership programme with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Youth Development							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Budget	R76 426 000.00							
Strategic Objective	Access to occupationally directed programmes for unemployed youth through a range of workplace experiential interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	As per the pivotal list							
	Success is measured by the number of learners entering the programme	3.1 284 3.2 325 Total: 609	260 380 Total: 640	300 424 Total: 724	520	720	200	Due to a lower cost per learner, more learners could be recruited
	Success is measured by the number of learners completing the programme successfully	3.1 152 3.2 273 Total: 425	248 204 Total: 452	234 341 Total: 575	338	636	298	Due to more learners being contracted in the previous financial year, more learners completed. In addition the pass rate was also higher than anticipated. This can be attributed to increased learner support.
Sub Programme 3.2	PIVOTAL Grant Funding Window: Unemployed							
Description	The aim of this programme is to register unemployed beneficiaries to meet sector demand that fall within the definition of PIVOTAL programmes as per the annual targets listed, by the year 2020/21. The number of learners entering the programme annually is reflected in the table below.							
Responsibility	Manager: Youth Development							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Budget	R 37 574 000							
Strategic Objective	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	As per the Pivotal list							
	Success is measured by the number of learners entering the programme	3.3 429 3.5 224 3.6 43 3.8 0 Total: 696	409 149 42 0 Total: 600	408 104 39 160 Total: 711	630	680	50	Due to a lower cost per learner, more learners could be funded: 509 Learnerships and 171 Internships
	Success is measured by the number of learners completing the programme successfully	3.3 200 3.5 140 3.6 26 3.8 0 Total: 366	194 133 32 0 Total: 359	492 66 29 0 Total: 587	345	477	132	Due to more learners being contracted in the previous financial year, more learners completed. In addition the pass rate was also higher than anticipated. This can be attributed to increased learner support: 384 Learnerships and 93 Internships
Sub Programme 3.3	Work Readiness Programme							
Description	The aim of this project is to register unemployed youth on work readiness programmes, focusing on scarce and critical skills, with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Bursaries and Work Integrated Learning							
Budget	R25 750 000.00							
Strategic Objective	Access to occupationally directed programmes for unemployed youth through a range of workplace experiential interventions in order to enhance employability							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Information Technology							
	Success is measured by the number of learners entering the programme	60	237	226	200	498	298	The second intake was initially planned for 2019/2020 but since everything was in place the programme could start earlier
	Success is measured by the number of learners completing the programme successfully	40	221	212	180	249	69	The pass rate of learners was higher than anticipated, this can be contributed to effective learner support
Sub Programme 3.4	Mathematics and Science Support Programme							
Description	The aim of this programme is to register unemployed learners on a programme to improve pass results for grade 10, 11 and 12 with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. Subject assistance may be extended to include digitization and technology. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below. This programme has a rural skills development element.							
Responsibility	Manager: Skills Development							
Budget	R10 918 000.00							
Strategic Objective	Interventions that address the low level of youth language and numeracy skills, contributing to improved grades and entry to university level programmes in the financial sector							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Scarce Skill / PIVOTAL Programme	This project does not address any specific scarce skill/pivotal programme in the sector but supports the development quality matriculants who enter university qualifications that is required by the sector								
	Success is measured by the number of learners entering the programme	578	1316	1327	714	1000	714	-286	In the 2018/2019 year only Grade 12s were supported. This was done to conclude the work at existing sites so as to established new sites and new programmes with (possible) new providers in 2019/2020. In addition to learners assisted bursaries were also issues to math and science teachers.
	Success is measured by the number of learners completing the programme successfully	392	1375	978	824	650	824	174	In addition to the learners, 426 Teachers also completed their programmes successfully.
Sub Programme 3.5	TVET Work Integrated Learning Funding Window								
Description	The aim of this programme is to assist TVET College learners to access work integrated learning (WIL) opportunities through collaborations with Technical Vocational Education and Training Institutions (TVET's) as per the annual targets set by the year 2020/21. The number of learners entering the programme annually is reflected in the table below.								
Responsibility	Manager: Bursaries and WIL								
Budget	R16 377 000.00								
Strategic Objective	Capacity building interventions to public providers for increased scope of registered programmes and increased participation and graduation rates of learners								
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 								

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Scarce Skill / PIVOTAL Programme	As per the pivotal list							
	Success is measured by the number of MoUs signed with TVETs	26	10	11	10	14	4	Includes 4 MoUs signed with TVETs for Generic Management Programme
	Success is measured by the number of learners accessing WIL opportunities	569	682	723	300	0	-300	Delay in learners accessing WIL, will be reported in Q1.
Sub Programme 3.6	Universities of Technology Work Integrated Funding Window							
Description	The aim of this programme is to fund demand-driven skills development through collaborations with Universities of Technology and to register learners to access work-integrated learning (WIL) opportunities as per the annual targets listed by the year 2020/2021. The number of learners entering the programme annually is reflected in the table below.							
Responsibility	Manager: Bursaries and WIL							
Budget	R14 193 000.00							
Strategic Objective	Capacity building interventions to public providers for increased scope of registered programmes and increased participation and graduation rates of learners							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority Action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	Success is measured by the number of MoUs signed with UoTs	6	5	5	5	11	6	The MoUs include one signed with UJ as they have qualifications which require WIL. The MoUs include those for WIL and for Bursaries.
	Success is measured by the number of learners accessing WIL opportunities	147	502	274	200	340	140	in addition to the learners entering the programme, 27 learners from previous years completed

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Sub Programme 3.7	Higher Education Funding Window							
Description	The aim of this programme is to fund demand-driven skills through collaborations with Universities and Universities of Technology and Professional Bodies, with a focus on awarding bursaries in scarce and critical skills areas with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Bursaries and WIL							
Budget	R101 426 000.00							
Strategic Objective	Capacity building interventions to public providers for increased scope of registered programmes and increased participation and graduation rates of learners							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	Success is measured by number of MoUs signed with Higher Education Institutions	19	6	21	8	24	16	All higher Education Institutions meeting the criteria were approved and contracted.
	Success is measured by the number of learners entering the programme	230	1454	2630	650	946	296	With savings from the previous financial year, more learners could be funded
	Success is measured by the number of learners completing the programme successfully	0	488	650	390	548	158	Due to more learners entering the previous financial year, more learners completed the current year.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success is measured by the number of lecturer bursaries signed	0	13	61	50	112	62	in addition, 44 Lecturers from previous intakes completed successfully
Sub Programme 3.8	NSFAS Support							
Description	The aim of the programme is to increase access to Occupationally Directed Programmes by re-imbursing learners who have successfully completed their qualifications within scarce and critical skills scope of BANKSETA or teaching qualifications in Maths or Accounting, with bursary funding through NSFAS as per the annual targets listed.							
Responsibility	Manager: Bursaries and WIL							
Budget	R4 367 000.00							
Strategic Objective	Access to occupationally directed programmes for unemployed youth through a range of workplace experiential interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	Success is measured by the number of learners re-imbursed for completing the programme successfully	0	70	95	80	80	0	Target achieved
Sub Programme 3.9	Career Awareness							
Description	The aim of this programme is to build career and vocational guidance by funding the development and dissemination of a career guide to youth and the training of life orientation teachers as per the annual targets listed in the table below.							
Responsibility	Manager: Marketing and Communication							
Budget	R2 184 000.00							
Strategic Objective	Accessible career and vocational guidance within the banking sector							
Skills Priorities	-	-	-	-	-	-	-	-

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Scarce Skill / PIVOTAL Programme	-	-	-	-	-	-	-	-
	Success is measured by the number of career awareness workshops conducted	-	40	40	40	27	-13	Even though less workshops were conducted, the number of delegates per workshop and overall exceeded the expectations.
	Success is measured by the number of Life Orientation Teachers trained	1148	919	938	500	1400	900	Target achieved and exceeded. The number of LO teachers that were registered by the Department of Basic Education to attend career awareness workshops exceeded the planned target.
	Success is measured by the number of career guides distributed	4430	8440	7560	5000	6500	1500	The need for career guides exceeded the planned amount significantly in the 2018/19 year.
Sub Programme 3.10 International Executive Development Programme								
Description	The aim of this programme is to register learners on a management development programme targeting beneficiaries with a potential to occupy Executive management positions in the banking and microfinance sector with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Skills Development							
Budget	R21 836 000.00							
Strategic Objective	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Management and Leadership							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success is measured by the number of learners entering the programme	0	39	40	40	40	0	Target achieved
	Success is measured by the number of learners completing the programme successfully	40	39	39	35	40	5	The anticipated pass rate was exceeded, this being due to very comprehensive learner support.
PIVOTAL Grant Funding Window								
Sub Programme 3.11								
Description	The aim of this programme is to register employed beneficiaries on demand-driven skills development programmes in the sector which fall within the definition of PIVOTAL programmes, with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Skills Development							
Budget	R144 492 000.00							
Strategic Objective	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							



Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success is measured by the number of learners entering the programme	567	1918	2590	4025	4804	779	Surplus funding became available and the BANKSETA board approved additional funding for this project. In total: Bursaries: 1143 Learnerships: 1966 Skills Programmes: 1058 Candidacy: 21 RPL: 616 (entered)
	Success is measured by the number of learners completing the programme successfully	0	0	1141	587	1452	865	Due to more delegates entering in the previous years, more completed successfully this year: Bursaries: 290 Learnerships: 923 Skills Programmes: 238 Candidacy: 1
Reskilling of employees funding window								
Sub Programme 3.12								
Description	The aim of this project is to provide funding to employers in order to up skill or re-skill workers whose positions have/will become redundant as a result of digitization or other reasons with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Skills Development							
Budget	R11 755 000.00							
Strategic Objective	Workplace based skills programmes for workers that address scarce and critical skills							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	Success is measured by the number of learners entering the programme	Not Applicable	Not Applicable	229	1000	645	-355	The procurement for this project has not been completed yet and the training will only be implemented in 2019/20
	Success is measured by the number of learners completing the programme successfully	Not Applicable	Not Applicable	Not Applicable	600	148	-452	The procurement for this project has not been completed yet and the training will only be implemented in 2019/20
Sub Programme 3.13	IT Funding Window							
Description	The aim of this project is to fund demand-driven IT skills development initiatives that Employers are not able to access through existing BANKSETA projects with the further aim of achieving successful completions as per the annual targets listed below by the year 2019/20. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Skills Development							
Budget	R10 918 000.00							
Strategic Objective	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Information Technology related skills							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success is measured by the number of learners entering the programme	-	-	423	200	689	489	With digitalisation being such a strong driver in the sector this project is very well utilised by the sector and applications exceeded expectations.
	Success is measured by the number of learners completing the programme successfully	-	-	342	120	383	263	Due to more learners entering the programme, more completed successfully.
SME Funding Window								
Sub Programme 3.14								
Description	The aim of this programme is to encourage and support small enterprises through funding scarce and critical skills as identified by skills planning and increase access to Occupationally Directed Programmes with a further aim of achieving successful completions as per the annual targets listed below by the year 2019/20. The number of SMEs accessing funding and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Alternative Banking							
Budget	R15 450 000.00							
Strategic Objective	Training and development support to Co-ops, SMEs, NGOs etc. in an effort to contribute to economic and employment growth							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	Success is measured by the number of SME Organisations accessing funding	44	58	108	100	156	56	As awareness grows, increasingly more SMEs make use of skills Development support offered by the BANKSETA

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success is measured by the number of SME Organisations completing the funded programme successfully	36	39	47	60	35	-25	On time completions remain a weakness as implementation is often delayed due to work pressures in small organisations.
Sub Programme 3.15 Entrepreneurship Programme								
Description	The aim of this project is to ensure that SME businesses have necessary business skills to sustain their business by registering learners on bursaries with a further aim of achieving successful completions as per the annual targets listed below by the year 2020/21. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Alternative Banking							
Budget	R10 918 000.00							
Strategic Objective	Training and development support to Co-ops, SMEs, NGOs etc. in an effort to contribute to economic and employment growth							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Entrepreneurship skills							
	Success is measured by the number of learners entering the programme	99	110	252	200	0	-200	Due to a delay in the start of the programme learners will be reported in Q1 of 2019/2020 year
	Success is measured by the number of learners completing the programme successfully	85	91	171	160	5	-155	Includes 5 from previous year reported in Q1

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Co-operative Financial Institution Support								
Sub Programme 3.16								
Description	The aim of this programme is to encourage and support co-operatives by funding training in Co-operative institutions and Co-operative members as per the annual targets listed by the year 2020/21.							
Responsibility	Manager: Alternative Banking							
Budget	R5 459 000.00							
Strategic Objective	Training and development support to Co-ops, SMEs, NGOs etc. in an effort to contribute to economic and employment growth							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	Success is measured by the CFIs assisted with skills development.	45	31	30	30	30	0	Target achieved
	Success is measured by the number of CFI members trained.	241	233	334	300	447	147	The number of CFI members attending training exceeded expectations which is an indication of the need for skills development in that subsector
Rural Training								
Sub Programme 3.17								
Description	The aim of the programme is to register learners in rural areas as per the annual targets listed by the year 2020/21							
Responsibility	Manager: Alternative Banking							
Budget	R10 918 000.00							
Strategic Objective	Responsive training interventions that address the specific needs of identified rural areas							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Financial Management							
	Success is measured by the number of rural areas trained in	Not Applicable	1	18	10	37	27	The need for training in rural areas are continuously increasing and BANKSETA had to increase the number of areas planned for
	Success is measured by the number of rural based learners attending training	Not Applicable	372	1801	1500	2510	1010	The number of delegates attending training exceeded expectations which is an indication of the need for skills development in rural areas
Sub Programme 3.18	African Expansion							
Description	The project aims to support skills development for South African banking leaders expanding into Africa by registering 20 delegates on an international executive development programmes for expanding into Africa by the end of 2018/19. A further aim is for delegates to complete the programme successfully by the end of 2018/19 and present their learnings at a BANKSETA conference/workshop.							
Responsibility	Head: Research							
Budget	R20 600 000.00							
Strategic Objective	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							
Scarce Skill / PIVOTAL Programme	Programme is aligned to the research needs of the sector							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success of the programme is measured by number of delegates registered on the programme	-	-	20	20	20	0	Target achieved
	Success of the programme is measured by number of delegates completing the programme successfully	-	-	20	20	0	-20	The learners are still finalising their research reports and will only complete at the end of May 2019.
	Success is measured by the number of reports written and presented by the delegates at a BANKSETA workshop/ conference	-	-	10	10	0	-10	The conference is scheduled for June 2019
Doctoral and Post-Doctoral bursaries								
Sub Programme 3.19								
Description	The aim of this programme is to register learners for bursaries for PhD and Post-doctoral studies, as per the annual targets listed by the year 2020/21. It is a bursary programme targeting beneficiaries researching topics that will benefit the banking and microfinance sector. In addition the project will support a university approved programme aimed at developing the research supervisory skills of masters and Doctoral dissertation supervisors in support of doctoral studies.							
Responsibility	Head: Research							
Budget	R6 439 000.00							
Strategic Objective	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Skills Priority Action 1: Technology, Digitisation and Analytics • Skills Priority Action 2: Risk Management and Compliance • Skills Priority Action 3: Management and Leadership Development • Skills Priority action 4: Core banking products/services • Skills Priority Action 5: Customer Relationship Management 							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Scarce Skill / PIVOTAL Programme	Programme is aligned to the research needs of the sector							
	Success of the programme measured by the number of learners trained in a university approved programme for supervisors of masters and doctoral students	-	-	-	100	0	-100	There was no appetite at all for this programme and it will not be offered again 2019/2020. any ad hoc requests will be addressed through the higher Education Funding Window.
	Success of the programme measured by the number of learners entering the programme	20	22	24	25	21	-4	It remains difficult to achieve this target due to a limited number of applications meeting the requirements
Programme 4: Quality Assurance								
Sub Programme 4.1								
Quality Management of training provision								
Description	The QCTO is the custodian for the development and registration of occupation based qualifications and the continuance of the legacy qualifications until the registration end date. BANKSETA works in partnership with the QCTO to develop new occupational qualifications, working with the relevant stakeholders i.e. SDPs and AQP while ensuring moderation and certification of the learners on the legacy qualifications. Through the Skills Development Providers (SDP) and Assessment Quality Partner the training and assessment of learners in preparation for the final EISA is ensured							
Responsibility	Manager: Quality Management							
Budget	Nil							
Strategic Objective	Occupation based qualifications registered (through QCTO) against which curriculum is developed and submitted to QCTO and SAQA for approval							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success is measured by the number of Curricula and Quality Assessment Specifications documentation submitted for registration.	-	-	2	2	2	-	Target achieved
	Success is measured by the appointment of an AQP and the development of the EISA for each occupational qualification.	-	-	1	2	2	-	Target achieved
	Sufficient subject matter experts are identified in order to facilitate content and prepare learners for External Integrated Summative Assessment (EISA) and Certification.	-	-	10	4	4	0	Target achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
Sub Programme 4.2								
Quality Management of training provision								
Description	Quality Management of training provision, assessment and certification of legacy qualifications.							
Responsibility	Manager: Quality Management							
Budget	Nil							
Strategic Objective	Quality management of assessment methodologies to improve competencies in the sector							
	Success of the programme is measured by the number of expression of interest submitted by organisations wishing to be accredited by BANKSETA	3	10	23	3	24	21	It is difficult to plan for this as the QCTO initially indicated that no SETA qualifications would be impacted on accreditation as well as learner certification. The QCTO have now re-registered the SETA qualifications and this caused an increase in accreditations.
	Success of the programme is measured by the number of new provider that reflect best practice in their new application or re-accreditation thereby have a status of "preferred" provider.	2	0	12	3	24	21	More new accreditations and applications for re-accreditation were processed than planned for



Programme / Activity / Objective	Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned targets to actual achievement for 2018/2019	Comment on Deviations
	Success of the programme is measured by number of provider request for external moderation for certification and responded to within 5 working days of the request.	5	25	36	4	54	50	It is difficult to plan for this as the QCTO initially indicated that no SETA qualifications would be reregistered. This would have impacted on moderation as well as learner certification. The QCTO have now re-registered the SETA qualifications and this caused an increase in moderations.
	Success of the programme is measured by number of learners that are verified and certificated on BANKSETA qualifications.	400	1355	2929	600	4230	3630	It is difficult to plan for this as the QCTO initially indicated that no SETA qualifications would be reregistered. This would have impacted on learner certification. The QCTO have now re-registered the SETA qualifications and this caused an increase in certifications.

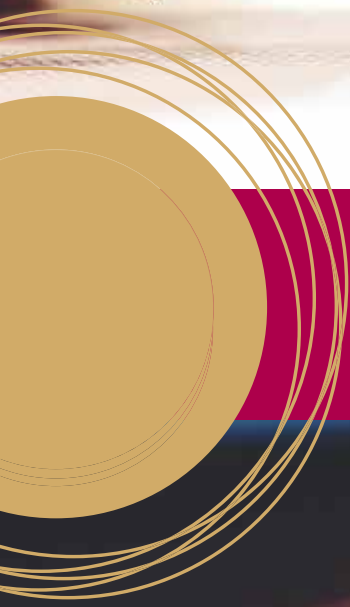
SUMMARY

Programme /Activity/Objective		Number of Performance Indicators	Performance Indicators Achieved	%
1	Administration	28	20	71,4
1.1	Strategic Management	3	3	100,0
1.2	Optimal Human Resource Capacity	7	5	71,4
1.3	Communication and Brand Awareness	4	3	75,0
1.4	ICT Support	4	4	100,0
1.5	Financial Management and Reporting	7	3	42,9
1.6	Organisational Compliance, Internal Audit and Risk Management	3	2	66,7
2	Skills Planning	21	14	66,7
2.1	Mandatory Grants	2	2	100,0
2.2	Research and Benchmarking	4	4	100,0
2.3	Annual Sector Skills Plan developed and approved by DHET	6	4	66,7
2.4	Monitoring and evaluation of BANKSETA effectiveness and impact measured	5	0	0,0
2.5	Stakeholder/Partnerships for Skills Planning and Implementation	4	4	100,0
3	Learning Programmes	41	29	70,7
3.1	Sector Learnerships	2	2	100,0
3.2	PIVOTAL Grant Funding Window: Unemployed	2	2	100,0
3.3	Work Readiness Programme	2	2	100,0
3.4	Mathematics and Science Support Programme	2	1	50,0
3.5	TVET Work Integrated Learning Funding Window	2	1	50,0
3.6	Universities of Technology Work Integrated Funding Window	2	2	100,0
3.7	Higher Education Funding Window	4	4	100,0
3.8	NSFAS Support	1	1	100,0
3.9	Career Awareness	3	2	66,7
3.10	International Executive Development Programme	2	2	100,0
3.11	PIVOTAL Grant Funding Window: Employed	2	2	100,0
3.12	Re-skilling of employees funding window	2	0	0,0
3.13	IT Funding Window	2	2	100,0
3.14	SME Funding Window	2	1	50,0
3.15	Entrepreneurship Programme	2	0	0
3.16	Co-operative Financial Institution Support	2	2	100,0
3.17	Rural Training	2	2	100,0
3.18	African Expansion	3	1	33,3
3.19	Doctoral and Post-Doctoral bursaries	2	0	0,0
4	Quality Assurance	7	7	100,0
4.1	Quality Management of training provision	3	3	100,0
4.2	Quality Management of training provision, assessment and certification of legacy qualifications.	4	4	100,0
Total Performance Indicators		97	70	72,2





Part C: Governance





GROUP PROFILE: WHO GOVERNS US, LEADS US

BANKSETA

The BANKSETA is a statutory body established through the Skills Development Act of 1998 to enable its stakeholders to advance the national and global position of the banking and microfinance industry. In terms of the Public Finance Management Act (1999) (PFMA), the BANKSETA is a Schedule 3A public entity. Thus, in delivering on its mandate, the SETA and its Accounting Authority, are governed by the Skills Development Act, the PFMA, the Skills Development Levies Act, the SETA Standard Constitution and any other relevant legislation.

PORTFOLIO COMMITTEE

Parliament, through its Portfolio Committee on Higher Education and Training, oversees the performance and budgets of the Department of Higher Education and Training and its public entities and thus is primarily concerned with overall service delivery and improving economic growth. In this way, the BANKSETA is also accountable to the Portfolio Committee to report on the organisation's Strategic Plans and Annual Performance Plans and relevant performance.

EXECUTIVE AUTHORITY

The Executive Authority (the Minister of Higher Education and Training) must exercise his/her powers and responsibilities in respect of the SETA constitution, to ensure that the implementation

of the objectives and execution of the functions of the SETA comply with both the Act and the policies of the Executive Authority and government. This is managed through a service level agreement which outlines the minimum service levels required by the SETA in performing its statutory functions, meeting the National Skills Development Strategy targets and implementing its strategic plan and annual performance plan. Furthermore, as required by the PFMA and National Treasury Regulations for monitoring and evaluation purposes, the Annual Compliance Calendar is complied with which comprises the quarterly reporting on SETA finances, performance, risk management and governance. The BANKSETA complied with the provisions of the Annual Compliance Calendar for the 2018/19 year and submitted all quarterly reports as required.

ACCOUNTING AUTHORITY

The Accounting Authority, also known as the Board of the SETA, governs and manages the SETA in accordance with applicable legislation and provides strategic direction. As the King codes articulate, the essence of good governance emanates from effective and ethical leadership; the Accounting Authority and the Executive Management of the SETA have a critical role to play in ensuring that the SETA fulfills its strategic and operational objectives towards sustainable performance and meeting the needs of its stakeholders.

GOVERNANCE STRUCTURE

BOARD MEMBERS



Board Chairperson
Ms Nosipho 'Mia' Makhanya



Organised Employer
Ms Vasinthee Moodley



Organised Labour
Ms Noxolo Jonas



Organised Employer
Mr Israel Noko



Organised Labour
Ms Samantha Anthony



Organised Labour
Mr Joe Kokela



Organised Labour
Mr Malesela Lekota



Organised Labour
Ms Lebogang Selepe



Organised Employer
Ms Myenthrree Moodley



Community Organisation
Ms Sabi Padi



Organised Labour
Mr David Cedras



Organised Employer
Mr Dean Retief



Organised Employer
Dr Lucy Voss-Price



Professional Body
Mr Malesela Maleka

INTRODUCTION

Corporate governance is concerned with the balance of interests and powers between members, directors and stakeholders in order for the organisation to achieve its objectives in an open and transparent manner. BANKSETA, as a public entity and a steward of public funds is accountable to its Executive Authority (and Portfolio Committee on Higher Education and Training) as well as stakeholders and takes responsibility in the implementation of its mandate. In this way, the Accounting Authority needs to ensure that good corporate governance practices are applied and that compliance with the PFMA, King IV code (where applicable, from 1 April 2017) and other relevant legislation and National Treasury regulations are adhered to, in order to discharge its duties and responsibilities effectively and thereby be an effective Board and in the achievement of strategic objectives.

BANKSETA GOVERNANCE STRUCTURE



Accounting Authority/BOARD

The roles and functions of the Board are articulated in the BANKSETA Constitution which is the basis of the Board Charter and these roles includes:

1. Govern and manage the SETA;
2. Ensure that the SETA achieves the objectives contemplated in clause 5 of the Constitution and performs the functions contemplated in clause 6 of the Constitution;
3. Provide effective leadership and ensure that the SETA implements the goals of the National Skills Development Strategy (NSDS) and the Performance Agreement with the Minister;
4. To set a strategic direction for the SETA;
5. Liaise with stakeholders;
6. Ensure that the SETA complies with the relevant statutory requirements and the requirements of the Constitution;
7. Manage institutional risk;
8. Monitor the performance of the SETA;
9. Apply for the establishment of the SETA in terms of section 9(1) of the Act, read together with the Regulations regarding the Establishment of Sector Education and Training Authorities of 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005;
10. Perform its functions as required by the Skills Development Act;
11. Meet the targets in the National Skills Development Strategy (NSDS);
12. Implement the approved Strategic Plan; and
13. Adhere to the requirements of the Public Finance Management Act and Treasury Regulations.

THE BOARD CHARTER

The BANKSETA Board Charter defines the strategic mandate of the Accounting Authority and outlines the requisite knowledge, skills and experience required by BANKSETA Accounting Authority members in performing their fiduciary duties and meeting the National Skills Development Strategy targets and BANKSETA Strategic Plan objectives, duties, responsibilities and code of conduct as articulated in the BANKSETA constitution including, risk management priorities, meeting procedures and governance principles.

During the 2018/19 financial year, there were no matters of non-compliance with the Charter reported. However, ensuring that there was quorum at all meetings during the last year of the Board term was highlighted and emphasised.

COMPOSITION OF THE BOARD

The BANKSETA Board consists of:

Six representatives from organised labour, six representatives from organised employers as well as two representatives from community organisations, professional body or any bargaining council or government Department (where relevant). The Chairperson of the Board is appointed by the Minister of Higher Education and Training (DHET).

The Board's term of appointment was from 1 April 2018 to 31 March 2020. The details of the Board members for the 2018/19 financial year are given as follows:

Board Member Name	Constituency	Organisation	Position	Appointment Date
Nosipho Makhanya (Chairperson)	Ministerial appointment	Independent	Independent	1 April 2018
Malesela Maleka	Professional Body	South African Communist Party	Head of Policy and Education Unit	1 April 2018*
Sabi Padi	Community	Ditsobotla Co-operative Bank (Ltd)	Manager	1 April 2018
Moses Lekota	Organised labour	Sasbo	President of Sasbo	1 April 2018
Samantha Anthony	Organised labour	Sasbo	Chief Financial Officer	1 April 2018*
Joe Kokela	Organised labour	Sasbo	General Secretary	1 April 2018*
Lebogang Selepe	Organised labour	Sasbo	National Secretary	1 April 2018
Noxolo Jonas	Organised labour	Sasbo	Branch Administrator	1 April 2018
David Cedras	Organised labour	Sasbo	Manager: Provincial Retail Operations	1 April 2018
Dean Retief	Organised employers	Nedbank	Group Executive: HR	1 April 2018
Vasintee Moodley	Organised employers	FirstRand Bank	Group Head Skills Development and Leadership	1 April 2018
Myenthee Moodley	Organised employer	Standard Bank	Head of Human Capital	1 April 2018
Israel Noko	Organised employers	MFSA	Chief Executive Officer: NPI Governance Consulting (Pty) Ltd/ MFSA Board member	1 April 2018*
Sarah Louw	Organised employers	Absa (Barclays)	Chief Executive: HR	1 April 2018*
Dr Lucy Voss-Price	Organised employers	SARB	Head of Department (Academy)	1 April 2018

* S Anthony – Board member effective 2 August 2011

* J Kokela – Board member effective 1 April 2011

* I Noko – Board member effective 4 June 2014 and resigned effective 30 January 2019

* S Louw – Board member effective 4 June 2014 and resigned effective 23 April 2018

* Malesela Maleka – Board member effective 1 April 2011

There were two board membership vacancies representing organised employers for the year under review.

Board Committees

The following Board Committees are currently fully operational with organised labour, organised employers, community and independent representatives:

- Audit and Risk Committee
- Finance and Remuneration Committee
- Executive Committee
- Governance and Strategy Committee

Finance & Remuneration Committee

The Finance and Remuneration Committee must perform all functions referred or delegated to it by the Accounting Authority in order to ensure that the SETA meets the requirements of the Skills Development Act, the Skills Development Levies Act, PFMA and the Treasury Regulations that relate to finance and the remuneration of the Chief Executive Officer, Board and Committee members and staff including the financial affairs of the entity.

Name	Constituency	Organisation	Start Date
S Anthony (Chairperson)	Organised Labour	Sasbo	1 April 2018
D Retief	Organised Employer	Nedbank	1 April 2018
M Moodley	Organised Employer	Standard Bank	1 April 2018
S Padi	Community	Ditsobotsa Co-operative Bank	1 April 2018
D Cedras	Organised Labour	Sasbo	1 April 2018

Audit & Risk Committee

The Audit & Risk Committee must perform the functions of an audit committee as contemplated in the PFMA. The Audit & Risk Committee must serve as a mechanism of the Accounting Authority to monitor and reinforce the effectiveness of both the internal control system and the internal and external audit (Auditor-General) functions in accordance with the Audit & Risk Committee and Internal Audit Charters.

Name	Constituency	Organisation	Start Date
T Kgokolo	Independent	Chairperson	1 November 2017*
T Mhlari	Independent	Independent	07 May 2018*
N Maharaj	Independent	Chairperson	10 September 2018
C de Kock	Independent	Deputy Chairperson	10 September 2018
S Yangunya	Independent	Member	10 September 2018
M Lekota	Organised Labour	Sasbo	07 May 2018
V Moodley	Organised Employer	FirstRand	07 May 2018

* T Kgokolo – Independent Audit and Risk Committee Member effective 28 June 2013, Acting Chairperson: Audit and Risk from June 2016, Chairperson from November 2017 and resigned effective 25 May 2018.

* T Mhlari – Independent Audit and Risk Committee Member effective 30 April 2012. Resigned effective 31 July 2018.

Executive Committee

Subject to the directions of the Accounting Authority, the Executive Committee is responsible for overseeing the management of the SETA (inclusive of Governance and Strategy Committee responsibilities from January 2019 due to vacancies in that Committee).

Name	Constituency	Organisation	Start Date
N Makhanya (Chairperson)	Ministerial Apointment	Independent	07 May 2018
I Noko (resigned effective 30 January 2019)	Organised Employer	MFSA	07 May 2018
L Voss-Price	Organised Employer	SARB	07 May 2018
J Kokela	Organised Labour	Sasbo	07 May 2018
N Jonas	Organised Labour	Sasbo	07 May 2018

Governance and Strategy Committee

Subject to the directions of the Accounting Authority, the Governance and Strategy Committee is responsible for developing policies, principles, criteria and guidelines that are necessary for the governance and strategy function of the SETA (The Executive Committee was separated from the Governance and Strategy Committee responsibilities from September 28).

Name	Constituency	Organisation	Start Date
I Noko (Acting Chairperson)	Organised Employer	MFSA	26 September 2018
L Selepe	Organised Labour	Sasbo	26 September 2018
M Maleka	Professional Body	SACP	26 September 2018

Board and Committee member remuneration

Board and Committee members are not staff members of the BANKSETA. An allowance is paid to Board and Committee members for their attendance at and contributions to official meetings and responsibilities as members (as aligned to the Board and Committee Remuneration policy). The allowance rates approved by the Board and by the Minister of Higher Education and Training is in accordance with the remuneration level sub-category S, as determined by the Minister of Finance in the "Circular from the National Treasury on Adjustment of the Remuneration Levels". Audit & Risk Committee members are remunerated according to the same rates as Board members and approved by the Minister of Higher Education and Training.

In accordance with Circular 2 (Remuneration Tariffs for the Boards and Committee members of SETAs and non-SETAs that are reporting into Department of Higher Education and Training) issued by the Minister of Higher Education and Training, daily rates are applied for meeting fees (in addition to preparation fees) relevant to Board and Committee meetings attended.

Allowances are paid to the constituencies that members represent and not to the individual except for members who are Ministerial appointments, independent Committee members and for members who have gained exemption in this respect from respective employers. Independent Committee members who are considered public officials or government employees are not remunerated for meeting attendance unless they take unpaid leave from their respective positions to attend. Allowances were also subject to relevant tax rates (and regulations) during the applicable reporting period.

Board Member Remuneration (including any fees for interviews conducted):

Name	Organisation	Role	Meeting Fee (R'000)	Attendance	*Fees for attended ad-hoc meetings (R'000)
N Makhanya	Ministerial	Chairperson	129	10/10	37
M Maleka	Professional Body	Member	56	5/10	n/a

Name	Organisation	Role	Meeting Fee (R'000)	Attendance	*Fees for attended ad-hoc meetings (R'000)
S Padi	Community	Member	87	6/10	n/a
M Lekota	Sasbo	Member	99	9/10	n/a
J Kokela	Sasbo	Member	95	9/10	n/a
S Anthony	Sasbo	Member	108	10/10	17
L Selepe	Sasbo	Member	82	7/10	n/a
D Cedras	Sasbo	Member	99	9/10	n/a
N Jonas	Sasbo	Member	91	9/10	n/a
D Retief	Nedbank	Member	47	5/10	n/a
L Voss-Price	SARB	Member	73	8/10	n/a
M Moodley	Standard Bank	Member	95	9/10	n/a
V Moodley	First Rand	Member	86	8/10	n/a
I Noko (resigned effective 30 January 2019)	MFSA	Member	52	5/10	n/a
S Louw (resigned effective 23 April 2018)	ABSA/BARCLAYS	Member	-	0/10	n/a
Total			1 199		54

Finance and Remuneration Committee Member Meeting Fees:

Name	Organisation	Role	Meeting Fee (R'000)	Attendance
S Anthony	Sasbo	Chairperson	55	5/6
D Retief	Nedbank	Member	17	2/6
M Moodley	Standard Bank	Member	46	5/6
S Padi	Community	Member	46	5/6
D Cedras	Sasbo	Member	52	6/6
Total			216	

Audit and Risk Committee Member Meeting Fees:

Name	Organisation	Role	Meeting Fee (R'000)	Attendance	Fees for attended Board meetings (R'000)	*Fees for attended ad-hoc meetings (R'000)
T Kgokolo	Independent	Chairperson	-	0/7		
T Mhlari	Independent	Acting Chairperson	22	2/7		

Name	Organisation	Role	Meeting Fee (R'000)	Attendance	Fees for attended Board meetings (R'000)	*Fees for attended ad-hoc meetings (R'000)
N Maharaj	Independent	Chairperson	203	5/7	62	35
C de Kock	Independent	Deputy Chairperson	132	4/7		21
S Yangunya	Independent	Member	100	5/7		4
M Lekota	Sasbo	Member	118	7/7		
V Moodley	FirstRand	Member	118	7/7		
Total			693		62	60

Executive Committee Member Meeting Fees (including Fees for Interviews conducted):

Name	Organisation	Role	Meeting Fee (R'000)	Attendance
M Makhanya	Ministerial	Chairperson	94	7/7
J Kokela	Sasbo	Member	60	7/7
N Jonas	Sasbo	Member	52	6/7
L Voss-Price	SARB	Member	56	6/7
I Noko	MFSA	Member	30	2/7
N Maharaj	Independent	ARC Chairperson	6	1/7
Total			298	

Governance and Strategy Committee Member Meeting Fees:

Name	Organisation	Role	Meeting Fee (R'000)	Attendance
I Noko	MFSA	Acting Chairperson	33	2/2
L Selepe	Sasbo	Member	26	2/2
M Maleka	SACP	Member	17	2/2
Total			76	

*Ad-hoc cost include due diligence exercise done by the Audit and Risk Committee in the 2018/2019 financial year to ensure continuous improvement in processes.

Risk management

In accordance with the BANKSETA Risk Management Policy and Framework, risk management has been adopted as a critical governance requirement in order to address all factors that may hinder or prevent BANKSETA from achieving all its goals and objectives. BANKSETA (through the Accounting Authority, Audit & Risk Committee, Risk Management Committee (which is composed of the BANKSETA management team and staff members) is committed to the optimal management of risk in order to achieve its vision, mission, objectives, strategies and plans and to protect our core values. The Accounting Authority ("the Board") has committed BANKSETA to a process of risk management that is aligned to the principles of good corporate governance, as supported by legislation and leading practice and is composed of the following:

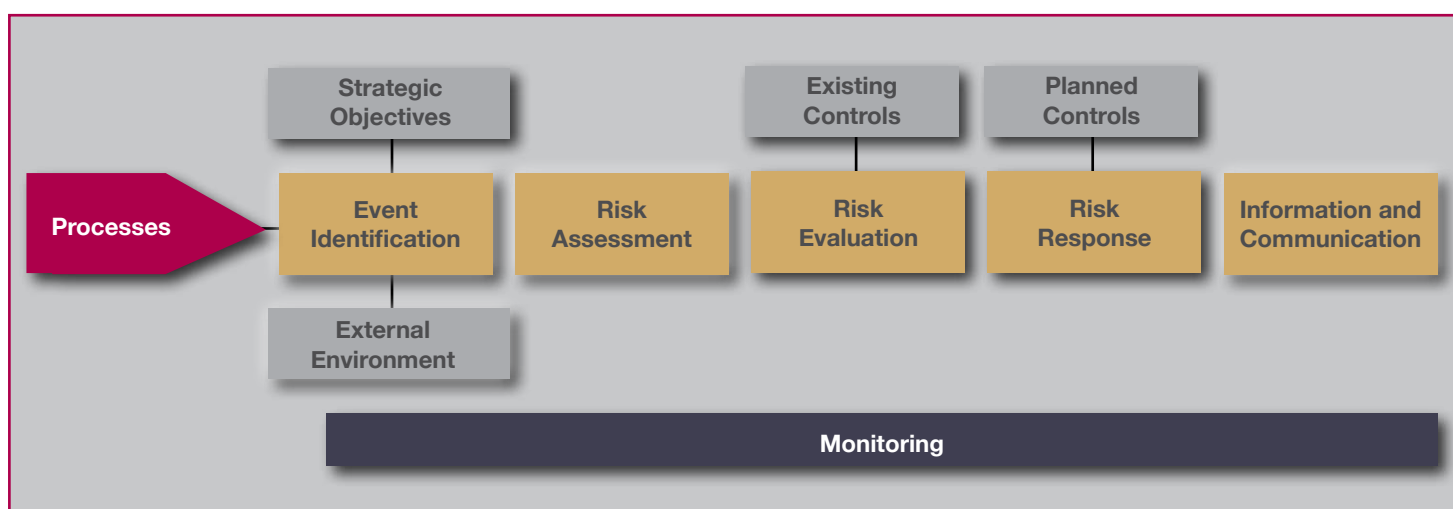


- Risk management is inseparable from BANKSETA's strategic and business processes;
- Risk identification should be directed in the context of BANKSETA's purpose;
- The Board will be responsible for the process of risk management;
- The Board will approve BANKSETA's chosen risk philosophy;
- The Board will approve key strategic risk indicators and tolerance levels;
- The Board will adopt a risk management plan;
- The Board will report on the effectiveness of risk management;
- The Board will ensure that BANKSETA's reputational risk is protected;
- The Board will determine the extent to which risks relating to sustainability are addressed and reported on;
- The Board will ensure that IT is aligned with business objectives and sustainability;
- The Board will consider the risk of the unknown as part of the qualitative and quantitative risk assessment process;
- The Board may delegate the responsibility of risk management to a risk committee;
- Management is responsible for the implementation of the risk management process;
- Risk management will be practised by all staff in their day to-day activities and risk management will be included as a key performance areas for all BANKSETA staff members;
- Risk assessments will be performed on an ongoing basis; and
- Key risks are quantified and are responded to appropriately.

Through the Risk Management Framework, the BANKSETA has adopted a standard approach to enterprise risk management at BANKSETA and to ensure that all risks that could affect our people, reputation, business processes and systems, financial and environmental performance are identified, assessed and treated to an acceptable level by:

- Incorporating a consistent approach to risk management into the culture and strategic planning processes of BANKSETA, supporting the setting of priorities and making of decisions at all levels;
- Applying a consistent approach to risk response and control activities to support BANKSETA's governance responsibilities for innovation and responsible risk-taking, policy development, programmes and objectives. In all cases, appropriate measures will be put in place to address unfavourable impacts from risks and favourable benefits from opportunities.
- Manage a transparent approach to risk through formal and informal communication and monitoring of all key risks, balancing the cost of managing the risk with the anticipated benefit. Risk management practices will be adapted to encompass best practices, specific circumstances and mandate.

The risk management process comprises:



The Risk Management Committee is a sub-committee of the Audit and Risk Committee and is responsible for assisting the Chief Executive Officer in monitoring the performance of risk management and to report accordingly to the Audit and Risk Committee and the BANKSETA Board. The role of the Risk Management Committee is to formulate, promote and review the Enterprise-wide Risk Management objectives, strategy and policy, and to monitor the process at strategic, management and operational levels.




Governance Report

- o The BANKSETA is committed to the application of recommended practices and principles as given in the King IV Code of Governance Practice in South Africa and compliance with the prescripts of the PFMA.
- o Internal controls and Internal Audit coverage for 2018-19 - As part of the Board's role in respect of risk management, the Board is also responsible for maintaining a sound system of internal control. Internal Audit, thus, assists BANKSETA to accomplish its objectives by bringing a systematic and disciplined approach in order to evaluate and improve the effectiveness of risk management, control, and governance processes, as articulated in its Internal Audit Charter.
- o BANKSETA has appointed the Head of Internal Audit with an internal audit team, consisting of Internal Audit specialists, recruited. Where external expertise is required to supplement the expertise of the Internal Audit team, a due procurement process in order to procure such services is followed.
- o Internal controls and Internal Audit coverage for 2018-19 (aligned to the rolling three year strategic internal audit plan and outcomes of the risk assessment) encompassed the following:
 - Commitments - Year end schedule
 - Quality Assurance – 2018/19 AFS
 - Fraud Prevention
 - Information Technology - Data Migration Review
 - Information Technology - ICT Governance Review
 - Research & Skills
 - Performance Information (for 3 Quarters of the financial year)
 - Follow-up on Auditor-General findings
 - Financial Discipline
 - Mandatory Grants
 - Annual Performance Plan & Strategic Plan
 - Discretionary Grants
 - Commitments
 - Quality Assurance
 - Human Capital Management & Payroll
 - Supply Chain Management
 - Fixed Asset Management
 - Follow-up on Internal Audit findings
 - Risk management
 - Bonus Review
- o The BANKSETA ensures that it complies with laws and regulations through its pertinent governance structure and senior management responsibilities, in accordance with its mandate and as formally communicated by the relevant Executive Authority and National Treasury. Furthermore, the BANKSETA has developed a compliance framework for submissions, aligned to the Executive Authority compliance calendar, and a Compliance Policy, to ensure there is consistent focus on adhering to compliance responsibilities. During the 2018/19 financial year, there were no significant changes to legislation nor regulations applicable to the SETA.
- o BANKSETA is also required to report to the relevant authorities on the disclosure of information in terms of the Promotion of Access to Information Act.
- o The BANKSETA has a Fraud Prevention Plan and Policy (which includes Whistleblower Protection) and an anti-fraud hotline, managed by an independent service provider with specific reporting processes in place. Fraud reporting is a standard agenda item for Risk Management Committee, Audit & Risk Committee and Board governance structures. All reports made on the line are documented. Several reports on fraud were noted during the 2018/19 financial year.
- o Formal declaration of interests are noted and records kept in accordance with meetings conducted at Committee and Board level as well as for Supply Chain Management activities in order to ensure that conflict of interest is minimised within the context of the SETA activities and mandate.

Code of Conduct

The BANKSETA strictly adheres to the Code of Conduct as elucidated in the BANKSETA Constitution and is applied as follows:

- 
- (1) All Members of the Accounting Authority, the chambers and any committee established by the Accounting Authority are subject to this Code of Conduct and are required to comply with both the letter and the spirit of the Code.
 - (2) The Members of the Accounting Authority, the chambers and any committee established by the Accounting Authority –
 - (a) stand in a fiduciary relationship to the SETA;
 - (b) must comply with all the applicable laws and regulations that regulate the activities they are engaged in for and on behalf of the SETA;
 - (c) must perform their functions fairly, honestly and in good faith, giving full effect to the obligations and spirit of the Act and this Constitution;
 - (d) must protect and promote the reputation of the SETA and promote goodwill towards it;
 - (e) must perform their duties conscientiously and in the best interest of the SETA; and
 - (f) conduct themselves ethically and in accordance with the principles of good governance.
 - (3) To ensure the proper execution of its mandate and effective compliance with the applicable legislative and policy framework, the Accounting Authority must ensure that the staff of the SETA and Members of all committees and chambers, adhere to the following principles of governance –
 - (a) Effectiveness and efficiency in the execution of their specified mandates, which require clearly formulated purpose statements, objectives, roles and responsibilities.
 - (b) Accountability for meeting their specified mandates, which requires effective accountability mechanisms, proper management, control and the safeguarding of finances and resources, as well as regular and accurate performance reviews, assessments and reporting.
 - (c) Integrity and honesty in the management of finances and resources, which require observing and promoting high standards of ethical conduct, proper execution of fiduciary duties, independence from vested interests and avoiding undue influence and a conflict of interests.
 - (d) Transparency and openness, which require fair, transparent and accessible rules, processes and procedures; the consistent application of these rules, processes and procedures; transparent and motivated decision-making; and timely and accurate provision of information to a higher authority, stakeholders and the public.
 - (e) Participation in the development and implementation of public policies, where appropriate, which requires the active involvement of beneficiaries, stakeholders and other affected groups in the formulation of policies and programmes; promoting ownership of policies and programmes; stakeholder commitment to their success; and consultation with, and representation on institutional structures.
 - (f) The capacity and resources to execute their mandate, which require appropriate selection and capacity-building, in order to ensure that Members and staff have the necessary skills, knowledge and experience.

Contravention of the Code of Conduct would be treated in the manner prescribed by the BANKSETA Standard Constitution. No incidences in respect of breach of the Code of Conduct and Ethics were recorded during the 2018/19 financial year.

- o The BANKSETA recognises its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business and is committed to high standards of integrity and fair dealing in the conduct of its business. It is committed to comply with both the spirit and the letter of applicable requirements and to always act with due skill, care and diligence. The social impact of the BANKSETA's efforts in meeting its primary strategic objectives will result in a transformed, skilled and capable workforce to address the sector strategic objectives and national strategic objectives and skills development legislation (Standard Constitution of SETA regulations and Skills Development Amendment Act, 2011).



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

As the BANKSETA Accounting Authority, it is the Board's responsibility to prepare financial statements that fairly represent BANKSETA's financial position as at 31 March 2019 and also the financial performance and summary cash flow for the year ending 31 March 2019. We are of the opinion that appropriate accounting policies, supported by reasonable and prudent judgments and estimates, have been applied on a consistent basis. The Financial Statements comply with the Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 as amended, including any interpretations of such Standards issued by the Accounting Standards Board, applicable to the public entity.

1. GENERAL REVIEW OF THE STATE OF AFFAIRS

The Banking Sector Education and Training Authority (BANKSETA) is a Schedule 3A public entity established by the Minister of Labour on 20 March 2000, and subsequently re-established to 31 March 2020. It is with great pleasure to announce that SETA operating licences have been extended until 2030. The objective of the BANKSETA is to develop skills in and for the broader banking and microfinance sectors in the country. The following sectors fall within the scope of the BANKSETA.

- Central banking.
- Discount houses, commercial and other banking.
- Building societies.
- Financial mediation.
- Lease financing.
- Securities dealings.
- Activities ancillary to financial mediation.

THE MISSION OF THE BANKSETA IS:

"To support transformation and people development and through partnerships, to enable stakeholders to advance the national and global position of the broader banking and alternative banking industry."

THE BANKSETA IS THEREFORE RESPONSIBLE FOR:

- The identification of priority skills in the sector.
- The distribution of mandatory grants to qualifying registered companies.
- The distribution of discretionary grants that will benefit the sector at large as well as individuals within the sector.
- The implementation of quality assurance processes that will enhance and ensure quality provision of training.
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Strategy.

REPORT OF THE AUDIT AND RISK COMMITTEE AS REQUIRED BY TREASURY REGULATIONS 27.1.7 AND 27.1.10 (B) AND (C) ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999, AS AMENDED BY ACT 29 OF 1999.

The BANKSETA hereby presents the report of the financial year ended 31 March 2019.

INTRODUCTION

The Audit and Risk Committee has complied with its responsibility arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. the Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference and its Audit and Risk Committee Charter has regulated its affairs and has discharged all its responsibilities as contained therein. The Committee has also reviewed changes in accounting policies and practices.

AUDIT AND RISK COMMITTEE MEMBER AND ATTENDANCE

The Audit and Risk Committee consists of the following members listed hereunder for the relevant financial year and meets at least two times Per Annum as per approved terms of reference. During the current financial year seven meetings were held:

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Ms Nalini Maharaj - Independent Chairperson (appointed 10 September 2018)	5
Mr. Charl de Kock - Independent Deputy Chairperson	4
Ms. Susan Yanguya - Independent Member	5
Mr. Moses Malesela Lekota - Board Member	7
Ms. Vasinthee Moodley - Board Member	7
Mr. Thomas Kgokolo – Independent Chairperson (appointed 7 May 2018 and resigned effective 28 May 2018)	0
Ms. Tinyiko Mhlari – Independent Acting Chairperson (appointed 7 May 2018 and resigned effective 31 July 2018)	2

Furthermore at least one representative from both Auditor-General and the Internal Audit gets represented at Audit and Risk Committee meetings, regardless of whether or not the agenda items directly concern the audit of the BANKSETA financial statements.

THE EFFECTIVENESS OF INTERNAL CONTROLS

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the King IV Report on Corporate Governance, Audit and Risk Committee ensured that the assurance system and internal controls were appropriate and effective. This was achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the control processes.

The following internal audit work was completed during the year under review;

- Commitments - Year end schedule
- Quality review on the Annual Financial Statements
- Information Technology – General Controls
- Quality Assurance (Operations)
- Performance Bonus Review
- Performance Information (for 3 Quarters of the financial year)
- Financial Discipline and Revenue
- Follow-up on Auditor-General Findings
- Governance and Compliance
- Mandatory Grants and Revenue
- Annual Performance Plan & Strategic Plan
- Commitments – Interim Audit

- Discretionary Grants
- Risk Management
- Human Resources and Payroll
- Supply Chain Management
- Fixed Asset Management

From the quarterly reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and management letter of the Auditor-General South Africa, it was noted that there were serious areas of concern relating to non-compliance with SCM legislation, Commitment Schedule misstatements, Performance information misstatements and irregular expenditure. All instances on non-compliance with PFMA resulting in wasteful and fruitless expenditure and irregular expenditure have been disclosed in the Annual Financial Statements. The committee has noted that management have undertaken to implement controls to prevent the expenditure from occurring in the future and where appropriate perform investigations relating to the said expenditure.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has

- Reviewed and discussed the Audited Annual Financial Statements to be included in the annual report;
- Reviewed the Auditor-General South Africa management letter and management's response thereto
- Reviewed changes in accounting policies and practices and;
- Reviewed and monitored the risk assessment and risk management processes for the period under review.

The Audit and Risk Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and that these be accepted and read together with the report from the Auditor-General South Africa.

The following were areas of concern:

- Non-compliance with SCM legislation
- Commitment Schedule misstatements
- Performance Information misstatements
- Irregular expenditure

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The BANKSETA has been reporting monthly and quarterly to the National Treasury as requested by the PFMA:

- Management Accounts Reports
- Risk Register Reports
- IT governance Reports

EVALUATION OF FINANCIAL STATEMENTS

The Audit and Risk Committee has reviewed the Annual Financial Statements as prepared by the BANKSETA.

AUDIT AND RISK REPORT

The Audit and Risk Committee has reviewed the BANKSETA's implementation plan for audit issues raised in the prior years and is satisfied that the matters have been adequately resolved.

In conclusion the Audit and Risk Committee concurs and accept the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General South Africa.



.....
Chairperson of Audit and Risk Committee

BANKSETA

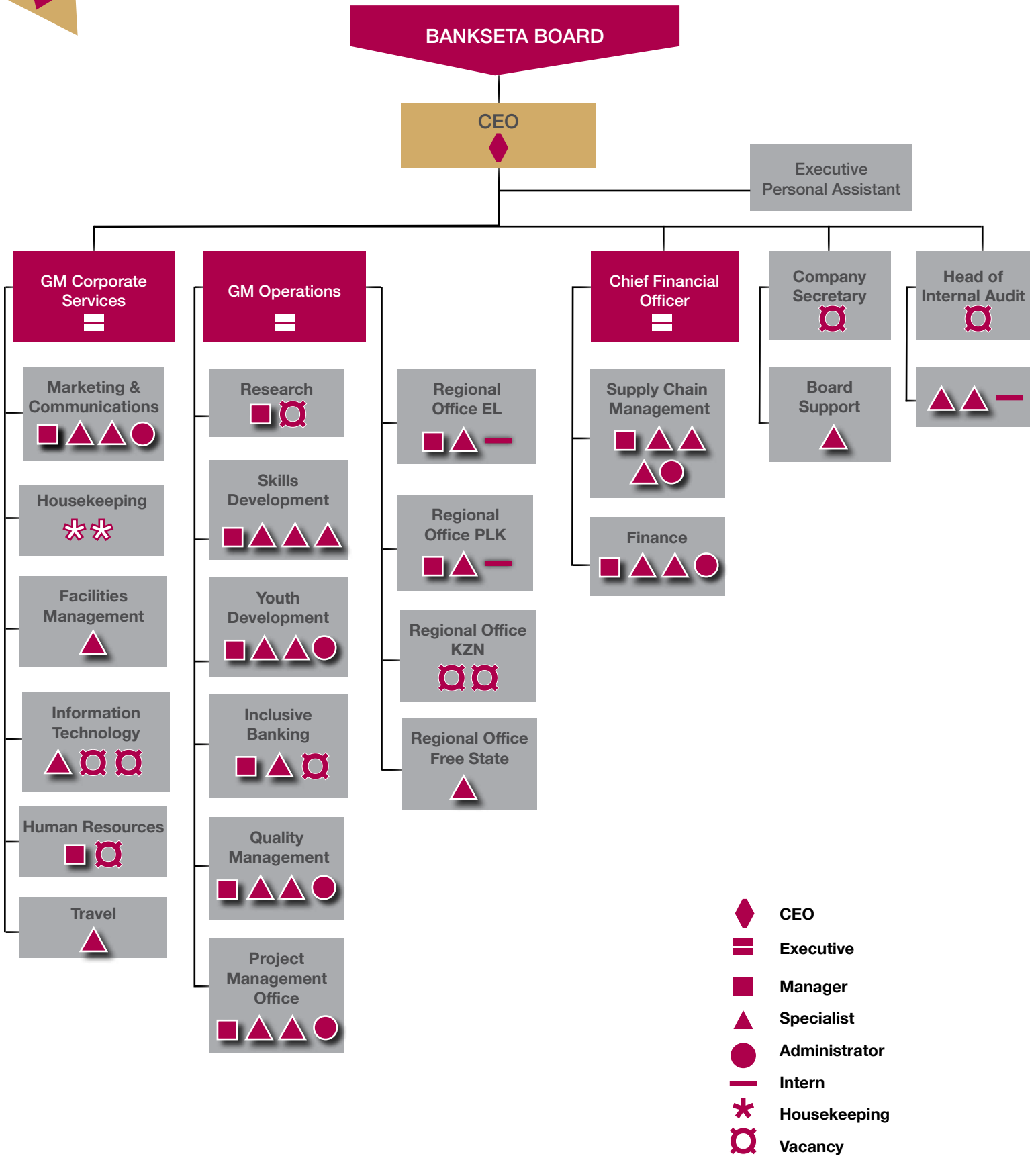
Date: 13 August 2019





Part D: Human Resources

Organogram



HUMAN RESOURCES

While the BANKSETA continued to operate to the best of its capacity, it experienced turn over in certain areas. One of the contributing factors may have been uncertainty due to the end of the SETAs license period. The BANKSETA operated with a total staff compliment of 64 staff members while nine (9) of those became vacant.

Employee Relations

In the year 2017/18, the BANKSETA reported that the organisation received a request from its workers to introduce organisational rights represented by NEHAWU. This was followed by a bargaining process that led to the successful conclusion of a recognition agreement. Management continues to value the working relationship aimed at improving the working conditions of the staff. Both the employer and the union have grown closer to one another recognising the importance of the roles played by each other.

Investors In People (IIP)

The BANKSETA retained its accreditation of the IIP in 2018/19. The forthcoming assessment is scheduled to take place in 2020. The entity embarked on a diagnostic process to review how the organisation has performed against the prescribed standards as well as the recommendations made in the last assessment conducted. This includes ensuring that any prevailing blind spots are highlighted and attended to well in time to avoid regression that may lead to the loss of the accreditation. This process highlighted a number of areas that are concerning to the business which presented a regression in the culture of the organisation and low staff morale. The team remains committed in putting measures in place to prepare for the next assessment.

Employee Wellness

The BANKSETA recognises the effect that individual health and wellness has on the organisation; as such, the entity continues to invest in its Employee Assistance Programme. This is one of those of investments that whilst assisting the staff members and their households to deal with challenges as they arise; the service also provides the organisations with a picture of the of issues that the business should consider addressing to ensure sustained performance, “a happy employee, a productive workforce and a thriving organisation”.

PERSONNEL COST BY SALARY BAND

Occupational Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel	No. of employees	Average Personnel cost per employee (R'000)
Senior Management	6 316	18.82%	4	1 579
Professional qualified	10 163	30.29%	13	782
Skilled	15 183	45.26%	30	506
Semi-skilled	1 595	4.75%	6	266
Unskilled	286	0.85%	2	143
Total	33 543	100%	55	3276

PERFORMANCE REWARDS

Occupational Level	No. of employees	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Senior Management	3	1 734	6 316	5.17%
Professional qualified	13	3 216	10 163	9.58%
Skilled	28	3 690	15 183	11.00%
Semi-skilled	6	320	1 595	0.95%
Unskilled	2	58	286	0.17%
Total	52	9 018	33 543	26.87%

EMPLOYMENT EQUITY

	Males				Female				Foreign Nationals		Total	% EE
	AM	CM	IM	WM	AF	CF	IF	WF	Male	Female		
Senior Management	1	0	0	0	1	0	0	1	0	1	4	50.00%
Professionals	3	1	0	0	5	0	1	2	1	0	13	76.92%
Skilled	13	0	1	0	12	2	1	0	0	1	30	96.67%
Semi-Skilled	3	0	0	0	3	0	0	0	0	0	6	100.00%
Unskilled	0	0	0	0	2	0	0	0	0	0	2	100.00%
Total Permanent	20	1	1	0	23	2	2	3	1	2	55	89.09%

DISABILITY

Disabled	0	0	0	0	1	1	0	0	0	0	2	3.5%
----------	---	---	---	---	---	---	---	---	---	---	---	------

TRAINING EXPENDITURE

Human Resource Training and Development Budget	Personnel Expenditure Cost (R000)	Training Expenditure Cost (R000)	Training expenditure as a percentage of personnel	No. of trained Employees	Average training cost per employee (R000)
	33 543	549	1.68%	49	16

EMPLOYMENT AND VACANCIES

Occupational Levels	Employment at beginning of the period	Appointments	Terminations	Employment at end of the period
Senior Management	3	1	0	4
Professionals	16	1	4	13
Skilled	32	1	3	30
Semi-Skilled	6	0	0	6
Unskilled	2	0	0	2
Total	59	3	7	55

REASONS FOR STAFF LEAVING

Death	Resignation-Personal	ILL-Health	Retirement	Misconduct
1	6	0	0	0

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	0

The Team



The Team





WEEK-1

WEEK-2

M

T

W

TH

F

M

T

W

TH

F

M

23.90.19.

23.90.14.

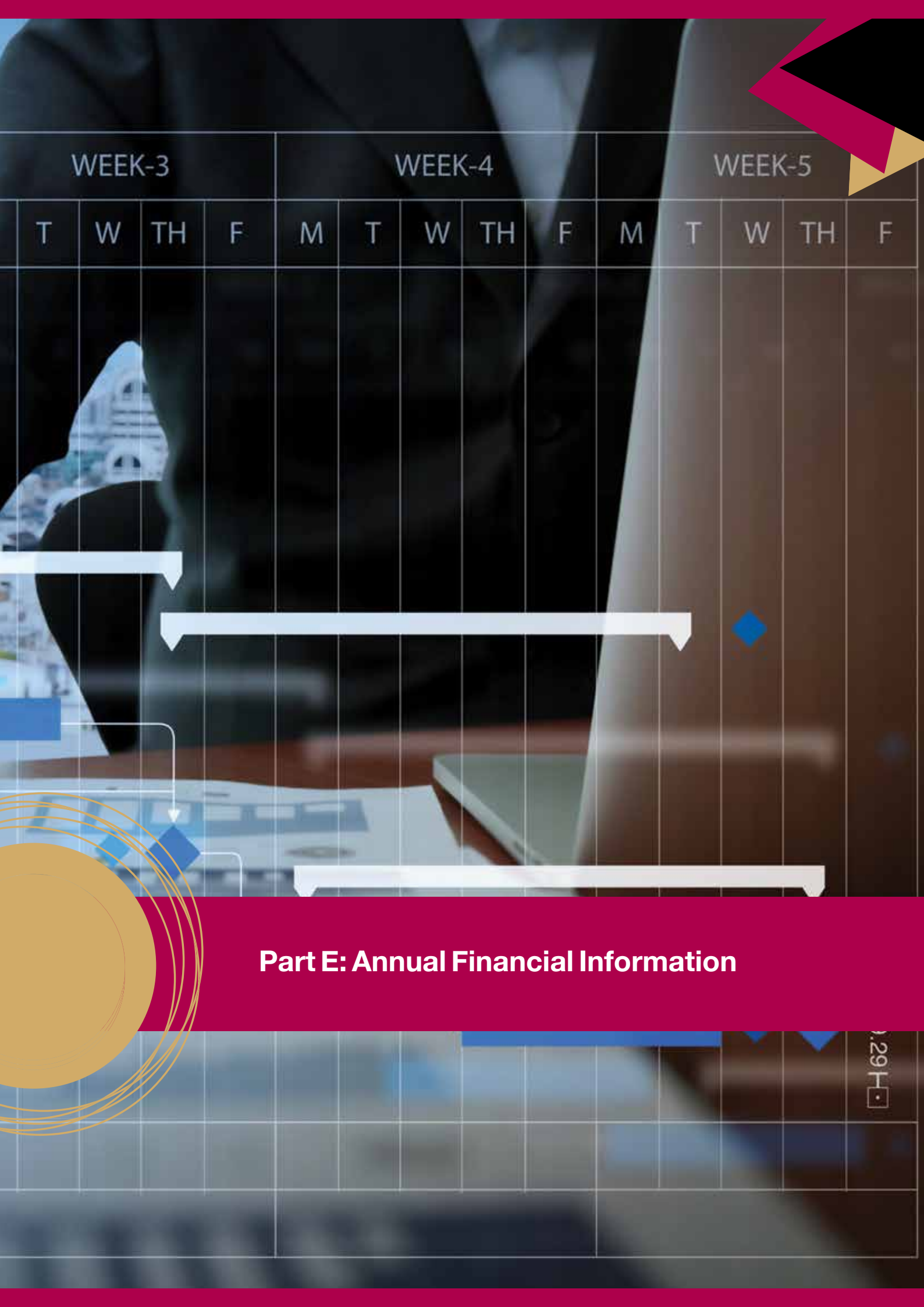
23.90.14.

23.90.14.

13.98.00.

172.67.09.29H.

USER:LOGIN:PASSWD, |



WEEK-3

WEEK-4

WEEK-5

T

W

TH

F

M

T

W

TH

F

M

T

W

TH

F

Part E: Annual Financial Information



STATEMENT OF FINANCIAL RESPONSIBILITY

Banking Sector Education and Training Authority Annual Financial Statements for the year ended 31 March 2019.

Audited

The Annual Financial Statements for the year ended 31 March 2019, set out on pages 102 to 156, have been approved by the Accounting Authority on 30 July 2019 in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, and are signed on their behalf by:

CHIEF EXECUTIVE OFFICER
Trevor Rammitlwa
31 July 2019

CHAIRPERSON OF THE BOARD
Nosipho Makhanya
31 July 2019

CONTENTS

	PAGE
Report of the Auditor-General	97 - 101
Statement of Financial Performance	102
Statement of Financial Position	103
Statement of Changes in Net Assets	104
Cash Flow Statement	105
Statement of Comparison of Budget and Actual Amounts	106
Accounting Policies to the Annual Financial Statements	107 - 117
Notes to the Annual Financial Statements	118 - 156

Financials



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE BANKING SECTOR EDUCATION AND TRAINING AUTHORITY (BANKSETA)

Report of the Auditor-General to Parliament on Banking Sector Education and Training Authority
Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Banking Sector Education and Training Authority (BANKSETA) set out on pages 102 to 156, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Banking Sector Education and Training Authority as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) and the skills Development Act of South Africa, 1998 (Act No.97 of 1998) (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Irregular Expenditure

7. As disclosed in note 18 to the financial statements, the public entity incurred irregular expenditure of R2 604 000, as it did not follow a proper tender process.

Responsibilities of the Accounting Authority for the Financial Statements

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

Auditor-General's responsibilities for the Audit of the Financial Statements

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 3: Learning programmes	51 - 68

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

Programme 3: Learning Programmes

Sub-Programme 3.7: Higher Education Funding Window

Various Indicators

17. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of target as reported in the annual performance report for the following indicators:
- Indicator 2 (sub-programme 3. 7): Success is measured by the number of learners entering the programme
 - Indicator 3 (Sub-programme 3.7): Success is measured by the number of completing the programme successfully
 - Indicator 4 (Sub- programme 3.7): Success is measured by the number of lecturer bursaries signed
18. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicator listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:
- Indicator 1 (sub-programme 3.12): Success is measured by the number of learners completing the programme successfully

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 39 to 72 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant number of targets . This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) 17 and 18 of this report.



Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3: Learning Programmes. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

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

Annual financial statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of commitments were identified by the auditors in the submitted financial statements were corrected resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

25. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by treasury regulations 16A9.1(d).
26. Some of the invitations for competitive bidding were not advertised for a required minimum period, as required by treasury regulations 16A6.3(c).
27. Some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by treasury regulations 16A9.1(d).
28. Sufficient appropriate audit evidence could not be obtained that persons in service of the public entity who had a private or business interest in contracts awarded by the public entity disclosed such interest, as required by treasury regulation 16A8.4. This limitation was identified in the procurement processes for the public entity.
29. Sufficient appropriate audit evidence could not be obtained that persons in service of the public entity whose close family members, partners or associates had a private or business interest in contracts awarded by the public entity disclosed such interest, as required by treasury regulation 16A8.4. This limitation was identified in the procurement processes for the public entity.

Other information

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

33. If conclude that there is a material misstatement in this other information, I am required to report that fact.

34. I have nothing to report in this regard.

Internal control deficiencies

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

37. Deficiencies were noted with regards to management's review over the annual financial statements and annual performance report. Key control activities designed and implemented to monitor the financial statements and to ensure the reliable reporting of performance achievements were not always adequate. This resulted in limitations on the audit that could not be performed. Furthermore, this resulted in non-compliance with applicable legislation as a result of material misstatements identified.

38. The review of the financial statements was not adequate to identify and correct noncompliance with the GRAP statements.

39. Compliance with applicable legislation was not consistently reviewed and monitored which resulted in irregular expenditure identified in the current financial was as a result of the contravention of SCM legislation.

Auditor General

Auditor-General
Pretoria
31 July 2019



AUDITOR - GENERAL
SOUTH AFRICA



ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the Accounting Authority
 - conclude on the appropriateness of the board of directors, which constitutes the Accounting Authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Banking sector education and training authority ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the Accounting Authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2019

		2018/19	2017/18
	Note	R'000	R'000
REVENUE			
Skills development levy: income from non-exchange transactions	2	802 521	716 919
Skills development levy: penalties and interest from non-exchange transactions		30 373	48 386
Total revenue from non-exchange transactions		832 894	765 305
Investment revenue from exchange transactions	3	50 013	44 052
Other revenue from exchange transactions	4	86	79
Total revenue from exchange transactions		50 099	44 131
Total revenue		882 993	809 436
EXPENSES			
Employer grant and project expenses	5	(657 373)	(759 807)
Administration Expenses	6	(75 561)	(78 941)
Total expenses		(732 934)	(838 748)
NET SURPLUS/(DEFICIT) FOR THE YEAR	1	150 059	(29 312)

ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2019

		2018/19	2017/18
	Note	R'000	R'000
ASSETS			
Non-current assets			
Property and equipment	7	2 731	3 067
Intangible assets	8	71	151
Total Non-current assets		2 802	3 218
Current assets			
Receivables from non-exchange transactions	9	3 921	8 136
Receivables from exchange transactions	10	4 465	3 452
Cash and cash equivalents	11	724 613	557 799
Total Non-current assets		732 999	569 387
Total assets		735 801	572 605
LIABILITIES			
Current liabilities			
Payables from exchange transactions	12	3 269	3 929
Payables from non-exchange transactions	13	57 995	44 579
Provisions	14	10 789	10 410
Total liabilities		72 053	58 918
NET ASSETS		663 748	513 687
NET ASSETS AND LIABILITIES			
Funds and reserves			
Administration reserve		2 802	3 218
Employer grant reserve		323	58
Discretionary reserve		660 623	510 411
TOTAL FUNDS AND RESERVES		663 748	513 687

ANNUAL FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Unappropriated surplus/(deficit) R'000	Total R'000
Balance at 31 March 2017		2 858	146	539 995	-	542 999
Net (deficit) for the period		-	-	-	(29 312)	(29 312)
Allocation of unappropriated (deficit)	1	13 743	4 749	(47 804)	29 312	-
Excess reserves transferred to discretionary reserve		(13 383)	(4 837)	18 220	-	-
Balance at 31 March 2018		3 218	58	510 411	(0)	513 687
Net surplus for the period		-	-	-	150 059	150 059
Allocation of unappropriated surplus/(deficit)	1	29 982	5 113	114 963	(150 059)	-
Excess reserves transferred to discretionary reserve		(30 398)	(4 848)	35 249	-	-
BALANCE AT 31 March 2019		2 802	323	660 623	-	663 748

An amount of R2 802 thousand (2017/18: R 3 218 thousand) is retained in the administration reserve equal to the carrying value of property and equipment, and intangible assets.

An amount of R323 thousand (2017/18: R 58 thousand) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the period ending 31 March.

Note: Refer to note 16.2 for disclosure of this contingent liability.

ANNUAL FINANCIAL STATEMENTS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

		2018/19	2017/18
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from skills development levy; income from non-exchange transactions (Including interest and penalties)		833 032	753 018
Other revenue from exchange transactions		206	68
Cash paid to stakeholders and suppliers		(670 054)	(814 379)
Cash paid for employee costs		(44 821)	(44 091)
Cash generated from operations	15	118 363	(105 384)
Investment revenue from exchange transactions received	3	49 131	44 052
Net cash inflow from operating activities		167 494	(61 332)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	7	(579)	(1 390)
Purchase of intangible assets	8	(101)	(160)
Net cash outflow from investing activities		(680)	(1 550)
Net increase in cash and cash equivalents		166 813	(62 882)
Cash and cash equivalents at the beginning of the period	11	557 799	620 681
Cash and cash equivalents at the end of the period	11	724 613	557 799

ANNUAL FINANCIAL STATEMENTS
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Approved Original 2018/19 R'000	Budget Adjustments 2018/19 R'000	Final Adjusted Budget 2018/19 R'000	Actual Income/ (Expenditure) 2018/19 R'000	Favourable/ (Unfavourable) variance 2018/19 R'000
REVENUE						
	Skills development levy transfer from non-exchange transactions	25,1	755 528	755 528	802 521	46 993
	Skills development levy penalties and interest from non - exchange transactions	25,2		-	30 373	30 373
	Investment revenue from exchange transactions	25,3	30 000	30 000	50 013	20 013
	Other revenue from exchange transactions		-	-	86	86
	Total Revenue	785 528	-	785 528	882 993	97 465
EXPENSES						
	Employer grant expenses	25,4	(183 216)	(183 216)	(187 921)	(4 705)
	Project expenses	25,5	(553 149)	(194 545)	(747 694)	278 242
	Administration expenses	25,6	(99 163)	(99 163)	(75 561)	23 602
	Total Expenses	(835 528)	(194 545)	(1 030 073)	(732 934)	297 139
	NET SURPLUS/(DEFICIT) FOR THE PERIOD	(50 000)	(194 545)	(244 545)	150 059	394 604

The adjustment is the approved 2017/18 surplus for which National Treasury and the board has approved for the BANKSETA to retain to apply towards 2018/19 project expenditure.

For details regarding the difference between budget and actual refer to Note 25.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. BASIS OF PREPARATION

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

The annual financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, including any interpretations of such Standards issued by the Accounting Standards Board.

2. CURRENCY

These financial statements are presented in South African Rands. All figures have been rounded off to the nearest thousand Rands, unless otherwise stated.

3. REVENUE RECOGNITION

3.1 Revenue from non-exchange transactions

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

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

Non-exchange revenue transactions include the receipt of levy income from registered sector employers via the Department of Higher Education and Training (DHET), income from the National Skills Fund, and grants from the national government. Non-exchange revenue transactions also include penalties and interest levied by the South African Revenue Services (SARS) on arrear levies and channeled to the SETA via DHET.

3.1.1 Levy income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act, Act No. 97 of 1998 as amended and the Skills Development Levies Act, Act No. 9 of 1999, as amended.

Skills development levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training either makes an allocation or payment, whichever comes first, to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended.

In terms of sections 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, registered member companies of the SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training.

80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund). The SETA was not in a position to verify that SARS has collected all potential skills levy income.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Exempt registered member companies of the SETA

Companies with an annual payroll cost less than R500,000 are exempted from paying the 1% skills development levy, in accordance with Section 4(b) of the Levies Act as amended, effective 1 August 2005. An employer who is liable to pay the levy is exempted if, during any month there is reasonable ground to believe that the total remuneration (as determined in accordance with the Levies Act) payable or paid by the employer to all its employees during the following 12-month period will not exceed R500,000.

Should the SETA receive any SDL from such possibly exempted companies, the SETA recognises a payable shown as a provision equalling the SDL received from these possible levy exempted companies. As per the Skills Development Circular 09/2013, should the levies received from exempt companies not be refunded to the respective employer through the SARS system after five years from receipt, the SETA transfers all monies received from exempted companies to levy revenue. Such levies are allocated to discretionary levies.

Levy income is recognised on the accrual basis.

Revenue is adjusted for interSETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as interSETA transfers. The amount of the interSETA adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department of Higher Education and Training. Skills development levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training makes an allocation of the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

3.1.2 Interest and penalties

Interest and penalties received on the skills development levy are recognised on the accrual basis.

3.2 Revenue from exchange transactions

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

3.2.1 Investment revenue from exchange transactions

Investment revenue from exchange transactions is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

4. GRANTS AND PROJECT EXPENDITURE

A registered employer may recover a maximum of 20% of its total levy payment (excluding interest and penalties) as a mandatory employer grant by complying with the grant criteria in accordance with the Skills Development Act, 1998 SETA Grant Regulations regarding monies received and related matters (The SETA Grant Regulations).

4.1 Mandatory grants

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. Grants are equivalent to 20% of the total levies contributed by employers to the SETA during the corresponding financial period.

4.1.1 Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of mandatory grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in mandatory grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

overpayment to the employer in earlier periods is raised as the amount of such mandatory grant overpayment, net of bad debts and provision for irrecoverable amounts.

4.2 Discretionary grants

A SETA may allocate discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period.

4.2.1 Discretionary project expenditure

A SETA may out of surplus mandatory, administration or discretionary levies and, in accordance with criteria as defined in the SETA Grant Regulations, allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the SETA's Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the SETA.

A SETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred and in which the conditions are met.

Discretionary 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 SETA under the terms of the contract.

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

Project costs are recognised as expenses in the period in which they are incurred.

5. PROPERTY AND EQUIPMENT

Property and equipment comprise tangible non-current assets that are held for use for administrative purposes and are expected to be used during more than one financial year.

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the SETA; and
- the cost or fair value of the item can be measured reliably.

The cost of an item of property and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Property and equipment is initially recognised at cost and subsequently at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The useful life indicators are used to review estimated useful lives, residual values and depreciation method each year, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation.

- Computer equipment	3 to 10 years
- Office furniture and fittings	10 to 21 years
- Office equipment	5 to 10 years
- Leasehold improvements	over the lease term

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written off immediately to its recoverable amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of property and equipment is determined as the difference between the sale proceeds and the carrying amount and is taken into account in determining the net surplus or deficit for the year.

BANKSETA has no encumbrances on their assets

BANKSETA had no repairs and maintenance expenditure on their assets

Impairment of Assets

Remaining useful lives are to be reviewed annually at each year end in accordance with the indicator based approach and adjusted as needed. The estimated remaining useful lives shall take into account the state of the asset and the current usage of the assets. Assets are assessed for impairment indicators on an annual basis.

6. INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary assets without physical substance and mainly comprise of software licenses and computer application licenses.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost and subsequently at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The useful life indicators are used to review estimated useful lives, residual values and depreciation method each year, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of amortisation

Software, application software and licenses	2 years (unless the license period differs)
---	---

Where the carrying amount of an asset is greater than its estimated recoverable service amount, it is written down immediately to its recoverable service amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of intangible asset is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining the net surplus or deficit for the year.

BANKSETA has no encumbrances on their assets.

BANKSETA had no repairs and maintenance expenditure on their assets.

7. LEASING

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and are recorded as a purchase of property and equipment by means of long-term borrowing. All other leases are classified as operating leases.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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 termination takes place.

8. PROVISIONS

Provisions are recognised when the SETA has a present legal obligation and/or constructive obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits or service potential that can be estimated reliably.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the SETA settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

9. EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- salaries, wages and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service; and
- incentive and performance related bonuses payable within 12 months after the end of the reporting period in which the employees render the related service.

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 incentive bonuses.

Termination benefits are recognised and expensed only incurred or the agreement to incur these is entered into.

The SETA recognises the expected cost of incentive and performance related bonus payments when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the SETA has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

- The SETA does not provide any post-employment medical benefits.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

- The SETA provides a defined contribution pension fund as post-retirement benefits to its employees. Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a pension fund) during the period of the employees' service. The entity will have no legal or constructive obligation to pay further contributions in the current period, prior or future periods including post retirement years of the employees should the fund not hold sufficient assets to pay all employee benefits relating to employee service.

When an employee has rendered service to the SETA during a reporting period, the SETA recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the SETA recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another standard requires or permits the inclusion of the contribution in the cost of an asset.

10. GRANTS AND PROJECTS

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulations has been complied with by member companies and it is probable that the SETA will approve the grant application for payment. The liability is measured based on the expected future cash outflow as determined in accordance with the Act. The measurement of the liability is estimated using the value of the levies received.

Discretionary projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statement. Where a project has been contracted, but has not been accrued for, it is disclosed as commitments in the notes to the financial statements.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are not yet due for payment.

11. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial assets and financial liabilities are recognised on the SETA's Statement of Financial Position when the SETA becomes a party to the contractual provisions of the instrument.

11.1 Financial assets

The SETA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The SETA recognises financial assets using trade date accounting.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Cash and cash equivalents

Cash and cash equivalents mainly comprise of cash on hand, current and savings bank accounts and money market investments, call accounts and fixed deposits held by the BANKSETA at the Corporation of Public Deposits (CPD) and at domestic banks. Cash and cash equivalents are initially recognised at cost and subsequently stated at amortised cost, which due to their short term nature, closely approximate their fair value.

Loans and receivables

Exchange and non-exchange receivables comprise of trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market and are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each year-end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment values or movement in provision for impairment are recognised in the Statement of Financial Performance.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

11.2 Bad Debts Provision

The SETA must ensure that all debtors are recorded and that accurate accounting, reminder and control systems are in place in respect of debtor and suspense accounts. Bad debts shall be written off during the year in which they are identified. Approval for the writing off of irrecoverable debtors, or any loss of money, shall be covered in the Delegations Framework.

Fair value considerations

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

Offsetting

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

11.3 Financial liabilities

All financial liabilities of the SETA were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

The SETA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Class

Trade and other payables from exchange transactions
Trade and other payables from non-exchange transactions

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

11.4 Derecognition

A financial asset or a portion thereof is derecognised when the BANKSETA realises the contractual rights to the benefits specified in the contract, the rights expire, and the BANKSETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognising, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net surplus or deficit for the period.

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

12. SEGMENT REPORTING

A segment is an activity of the BANKSETA:

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

Reportable segments are the actual segments which are reported on the segment report. They are segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria is met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the BANKSETA's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segments's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring corresponding amounts in the BANKSETA's financial statements.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. RESERVES

Net assets is classified based on the restrictions placed on the distribution of monies received in accordance with the Skills Development Act and Grant Regulations as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

Employer 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:

	2018/19	2017/18
	%	%
Administration costs of the SETA	10,5	10,5
Employer grant fund Levy	20,0	20,0
Discretionary grants and projects	49,5	49,5
Received by the SETA	80,0	80,0
Contribution to the National Skills Fund	20,0	20,0
	100,0	100,0

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

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

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made in the administration reserve equal to the net book value of depreciable assets. Provision is made in the employer grant reserve for newly registered companies, participating after the legislative cut-off date.

14. COMMITMENTS

Items are classified as commitments when the entity has committed itself through contractual agreements to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost; and
- contracts should relate to items other than the routine, steady, state business of the entity (such as administration services and goods contracts) – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

The SETA presents commitments for discretionary project contracts which would be funded out of discretionary reserves on hand at the date of the Statement of Financial Position, lease contractual commitments and any capital expenditure commitments.

In certain cases, the SETA enters into multi-year contracts whereby only the first year amount is unconditional and future years' amounts are dependent on several suspensive conditions which normally include satisfactory execution of the deliverables by the service provider, the SETA's continued need for the service, the availability of funds for that year and approval by the board as well as the extension of the SETA's license. The SETA only discloses the commitment for the year where all suspensive conditions have been met as a commitment. The amounts that are still subject to suspensive conditions are not disclosed.

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. RELATED PARTIES

An entity or individual is considered to be a related party to the BANKSETA when the party has the ability to control (or jointly control) the BANKSETA or can exercise significant influence over the BANKSETA in making financial and operating decisions, or if the party and the BANKSETA are under common control under the same Executive Authority.

All Departments and public entities in the national sphere of government are related parties as they are ultimately under common control.

Representation of individuals and employer/labour representatives to the Accounting Authority Body, committees of the Accounting Authority or other equivalent body is considered as significant influence.

Management are those persons responsible for the planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Only transactions with related parties where the transactions are not concluded within the normal operating procedures or on terms that are no more or less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

16. PRESENTATION OF BUDGET INFORMATION IN THE FINANCIAL STATEMENTS

The BANKSETA presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate financial statement in the Annual financial statements.

The comparison of budget and actual amounts are presented separately for each level of legislative oversight:

- the approved and final budget amounts.
- the actual amounts on a comparable basis; and
- by way of note disclosure and explanations of material differences between the budget for which the entity is held publicly accountable and actual amounts.

The budget covers the period 1 April 2018 to 31 March 2019 and has been prepared on the accrual basis of accounting.

17. 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 Act), 1998 (Act No. 97 of 1998) as amended; and
- Instructions and circulars issued by the National Treasury.

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which they are incurred. The expenditure is classified in accordance with the nature of the expense, and wherever recovered in the same accounting period, it is shown net of any recoveries. Wherever it is recovered in a subsequent financial year, it is accounted for as revenue in the statement of financial performance.

Irregular and fruitless and wasteful expenditure is removed from the notes to the annual financial statements when condoned by National Treasury.

Fruitless expenditure is condoned by the Accounting Authority only.



Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

19. TAXATION

No provision has been made for taxation, as the SETA has applied and received an income tax exempt status from SARS, in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962). The SETA is compliant with the conditions of this tax exempt status.

20. EVENTS AFTER THE REPORTING DATE

Events after reporting date are those events both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

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

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

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

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES:

	Employer grants reserve		Discretionary reserve		Total per Statement of Financial Performance R'000 2017/18
	Administration reserve R'000 2018/19	Mandatory skills grant R'000 2018/19	Total discretionary R'000 2018/19	Total per Statement of Financial Performance R'000 2018/19	
Total revenue	882 993	105 543	193 035	584 415	809 436
Skills development levy: income from non-exchange transactions					
Admin levy income (10,5%)	105 457	105 457	-	-	92 605
Grant levy income (69,5%)	697 064	-	193 035	504 029	624 314
Skills development levy: penalties and interest from non-exchange transactions	30 373	-	-	30 373	48 386
Investment revenue from exchange transactions	50 013	-	-	50 013	44 052
Other revenue from exchange transactions	86	86	-	-	79
Total expenses	(732 934)	(75 561)	(187 921)	(469 452)	(838 748)
Administration expenses	(75 561)	(75 561)	-	-	(78 941)
Employer grants and project expenses	(657 373)	-	(187 921)	(469 452)	(759 807)
Net Surplus/(Deficit) per Statement of Financial Performance allocated	150 059	29 982	5 113	114 963	(29 312)

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. SKILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS

	2018/19	2017/18
	R'000	R'000
The total levy income per the Statement of Financial Performance is as follows:		
Levy income: Administration	105 457	92 605
Levies received	105 451	92 632
Levies received from SARS	105 444	92 591
InterSETA transfers in	7	39
InterSETA transfers out		2
Levies accrued	6	(27)
Levy income: Employer Grants	193 035	170 400
Levies received	192 937	170 443
Levies received from SARS	192 924	170 422
InterSETA transfers in	13	17
InterSETA transfers out		4
Levies accrued	98	(43)
Levy income: Discretionary Grants	504 029	453 914
Levies received from SARS	504 078	454 050
Levies received	504 048	441 617
Levies received in prior year recognised as income		12 240
InterSETA transfers in	30	183
InterSETA transfers out		10
Levies accrued	(49)	(136)
	802 521	716 919

The effect of discounting was considered and found to be immaterial.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. INVESTMENT REVENUE FROM EXCHANGE TRANSACTIONS

	2018/19	2017/18
	R'000	R'000
Interest Revenue		
Bank deposits	46 084	41 005
Receivable	3 929	3 047
	50 013	44 052
	50 013	44 052

4. OTHER REVENUE

	2018/19	2017/18
	R'000	R'000
Other Revenue comprises:		
Gain on disposal of assets	11	-
Other income	75	79
	86	79
	86	79

5. EMPLOYER GRANT AND PROJECT EXPENSES

	2018/19	2017/18
	R'000	R'000
Mandatory grants	187 921	165 651
Disbursed	198 842	166 361
Provisions and accruals	(10 921)	(710)
	469 452	594 156
Project expenditure	469 452	594 156
Disbursed	483 397	572 888
Provisions and accruals	(13 945)	21 268
	-	-
Total employer grant and project expenses per Statement of Financial Performance	657 373	759 807

Project expenditure comprises of training grants to stakeholders and higher education institutes, bursaries, stipends and training and project related admin expenses.

Note: Refer to note 17 for more detailed information on these projects.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. ADMINISTRATION EXPENSES

		2018/19	2017/18
		R'000	R'000
Depreciation/Amortisation		1 096	1 190
Depreciation		915	950
Amortisation		181	240
Operating lease rentals (minimum lease payments)		3 285	3 373
Buildings		3 099	3 223
Equipment		186	150
Maintenance, repairs and running costs - other		250	253
Foreign Exchange Loss		-1	1
Advertising, marketing and promotions, communication		3 233	2 982
Catering at Stakeholder meetings		229	159
Service provider fees		3 820	4 012
Legal fees		423	234
Cost of employment	6,1	45 027	44 550
Travel and subsistence		868	814
Staff training and development		549	613
Remuneration to members of the Accounting Authority and committees		2 654	1 024
Audit Fees		1 994	2 610
External Audit Fees		1 926	2 090
Internal audit fees		68	520
Allowance for doubtful debts		275	(2)
Other		11 859	17 130
Other administration expenses		1 928	1 720
Consultancy fees		321	602
Telephone costs		1 269	1 266
Workshops		691	2 080
Printing and stationery		228	129
Research costs		2 537	7 491
Quality Council for Trade and Occupations		4 885	3 842
		75 561	78 941

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6 ADMINISTRATION EXPENSES (continued)

6.1 Cost of employment

	2018/19	2017/18
	R'000	R'000
Salaries and wages	39 147	38 828
Basic salaries	29 264	28 663
Performance awards	8 216	8 864
Allowances	345	336
Temporary staff	442	82
Leave payments	880	882
Social contributions	5 817	5 575
Medical aid contributions	1 173	1 081
Pension contributions: defined contribution plans	3 760	3 642
Risk cover contributions	314	296
Skills Development Levies	376	372
Workmen's Compensation	93	80
UIF	102	104
Employee Settlement	-	10
Recruitment costs	63	137
	45 027	44 550
Allocation of cost of employment		
Administration expenses	6 45 027	44 550
Average number of employees	58	59

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the Accounting Authority, and the Executive management group.

Note: Refer to note 22

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. PROPERTY AND EQUIPMENT

Year ended 31 March 2019

Computer equipment
 Office furniture and fittings
 Office equipment
 Leasehold improvements
 Balance at end of period

Made up as follows:

- Owned assets

	Cost	Accumulated depreciation	Closing carrying amount
	R'000	R'000	R'000
Computer equipment	2 242	(1 726)	515
Office furniture and fittings	1 912	(1 060)	852
Office equipment	1 567	(1 043)	525
Leasehold improvements	2 649	(1 810)	839
Balance at end of period	8 370	(5 639)	2 731
Made up as follows:			
- Owned assets	8 370	(5 639)	2 731

Year ended 31 March 2018

Computer equipment
 Office furniture and fittings
 Office equipment
 Leasehold improvements
 Balance at end of period

Made up as follows:

- Owned assets

	Cost	Accumulated depreciation	Closing carrying amount
	R'000	R'000	R'000
Computer equipment	2 604	(1 837)	767
Office furniture and fittings	2 079	(1 072)	1 007
Office equipment	1 232	(876)	356
Leasehold improvements	2 613	(1 676)	937
Balance at end of period	8 528	(5 461)	3 067
Made up as follows:			
- Owned assets	8 528	(5 461)	3 067

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. PROPERTY AND EQUIPMENT (continued)

Movement summary 2018/19

	Carrying amount 2018 R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount 2019 R'000
Computer equipment	767	187	-	(439)	515
Office furniture and fittings	1 007	-	-	(155)	852
Office equipment	356	356	-	(181)	525
Leasehold improvements	937	36	-	(135)	839
Balance at end of period	3 067	579	-	(916)	2 731

Movement summary 2017/18

	Carrying amount 2017 R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount 2018 R'000
Computer equipment	513	575	-	(321)	767
Office furniture and fittings	970	-	-	38	1 007
Office equipment	257	29	-	70	356
Leasehold improvements	888	786	-	(737)	937
Balance at end of period	2 628	1 390	-	(950)	3 067

The following useful lives are used in the calculation of depreciation.

	Useful lives	Depreciation rate
- Computer equipment	3 - 10 years	33.33% to 10%
- Office furniture and fittings	10 - 21 years	10% to 5%
- Office equipment	5 to 10 years	20% to 10%
- Leasehold improvements	over the lease term	

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7.1 Change in useful lives

At the beginning of the year, the useful lives of the assets were individually re-assessed and the following changes made:

Category	Previous useful lives	Re-assessed Useful lives
- Computer equipment	3 years	3 - 10 years
- Office furniture and fittings	10 years	10 - 21 years
- Office equipment	5 years	5 to 10 years
- Leasehold improvements	over the lease term	over the lease term

The net effect of this change on current year depreciation is as follows:

	Reversal of Accumulated Depreciation Due to reassessment of useful lives	Reversal Allocated against current year Depreciation	Current Year Depreciation Charge	Net Depreciation (charge)/ reversal
	R'000	R'000	R'000	R'000
Year ended 31 March 2019				
Computer equipment	1	1	(440)	(439)
Office furniture and fittings	46	46	(201)	(155)
Office equipment	1	1	(188)	(187)
Leasehold improvements	134	134	(269)	(135)
Balance at end of period	182	182	(1097)	(916)

The net reversal is not considered material

The fixed asset register is available at the BANKSETA's registered office for inspection. Useful lives of property and equipment are re-assessed each financial year and prior adjustments have not been material. It is impractical to estimate the amount.

8. INTANGIBLE ASSETS

	Cost	Accumulated amortisation	Closing carrying amount
	R'000	R'000	R'000
Year ended 31 March 2019			
Application software	711	(640)	71
Balance at end of period	711	(640)	71
Made up as follows:			
- Owned assets	711	(640)	71

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	Cost	Accumulated amortisation	Closing carrying amount
	R'000	R'000	R'000
Year ended 31 March 2018			
Application software	610	(459)	151
Balance at end of period	610	(459)	151
Made up as follows:			
- Owned assets	610	(459)	151

Movement summary 2018/19

	Carrying amount 2018	Additions	Disposals	Amortisation	Carrying amount 2019
	R'000	R'000	R'000	R'000	R'000
Application software	151	101	-	(181)	71

Movement summary 2017/18

	Carrying amount 2017	Additions	Disposals	Amortisation	Carrying amount 2018
	R'000	R'000	R'000	R'000	R'000
Application software	230	160	-	(240)	151

Application software complies with the definition of Intangible assets, which is an identifiable non-monetary asset without physical substance. The amortisation expense has been included in the line item 'depreciation/amortisation' in Note 6, administration expenditure.

The following useful lives are used in the calculation of amortisation.

	Useful lives	Depreciation rate
- Application software	2 years (Unless license period is different)	50% p.a.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2018/19	2017/18
	R'000	R'000
InterSETA debtors	22 50	243
Employer receivables	9,1 3 871	7 893
	<u>3 921</u>	<u>8 136</u>

The effect of discounting was considered and found to be immaterial.

9.1 Employer receivable

Employer receivable		
Overpayment to employers	4 198	7 947
Allowance for impairment	(327)	(52)
Net effect of SARS retrospective adjustments on affected employers	<u>3 871</u>	<u>7 895</u>

Of the R4.198 million employer receivables (2017/18: R7.947 million) was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant overpayments.

Of the R4.198 million employer receivables, R327 thousand is impaired and R3.871 million is not impaired

Reconciliation of impairment allowance on employer receivable

Opening balance: Impairment of employer receivable	(52)	(54)
Change in estimate		2
Addition	(275)	-
Recovered/reversed	-	-
Closing balance: impairment allowance on employer receivable	<u>(327)</u>	<u>(52)</u>

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2018/19	2017/18
	R'000	R'000
SARS receivable	-	-
Deposits	412	387
Staff advances and payroll receivables	58	-
Interest receivables	3 929	3 047
Other receivables	65	18
	<u>4 465</u>	<u>3 452</u>

The effect of discounting was considered and found to be immaterial.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in fixed deposits. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the balance sheet as follows:

	2018/19	2017/18
	R'000	R'000
Cash at bank and on hand	53 940	25 863
Cash at bank	53 939	25 848
Cash on hand	1	15
Short-term investments/instruments	670 673	531 936
Cash and cash equivalents at end of year	724 613	557 799

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 7.29% (2017/18: 7.55%).

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant SETA. The Bankseta Investments funds are invested at institutions that quote the highest interest rates for the investment term needed.

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the SETA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits.

As the SETA was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. PAYABLES FROM EXCHANGE TRANSACTIONS

	2018/19	2017/18
	R'000	R'000
Salary related payables	244	221
Sundry payables	3 025	3 708
Trade payables	989	1 921
Other accrued expenses	798	553
Leave accrual	1 222	1 201
Sundry creditors	15	32
	3 269	3 929

The effect of discounting was considered and found to be immaterial.

13. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2018/19	2017/18
	R'000	R'000
Skills development grants payable - mandatory	15 415	15 983
InterSETA payables	-	-
Employer payables	43	4
Project Creditors	42 537	28 592
	57 995	44 579

The effect of discounting was considered and found to be immaterial.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. PROVISIONS

	Opening balance	Change In estimate	Addition	Paid/reversed or transferred to discretionary levies income during the year	Closing balance
	R'000	R'000	R'000	R'000	R'000
2018/19					
Levies incorrectly received*	1 546	-	(55)	-	1 491
Provision for incentive bonus*****	8 864	(802)	9 018	(8 062)	9 018
Provision for acting allowances*****	-	-	280	-	280
	10 410	(802)	9243	(8 062)	10 789
2017/18					
Levies incorrectly received*	1 340	-	205	-	1 546
Unallocated levies received**	12 240	-	-	(12 240)	-
Provision for incentive bonus*****	7 749	(1)	8 864	(7 748)	8 864
Provision for acting allowances*****	634	(27)	363	(970)	-
	21 964	(28)	9 432	(20 958)	10 410

* In terms of Skills Development Circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190(4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular.

** In the 2014/15 financial year, BANKSETA received more levy income in cash, that was substantiated by employer levy files from the Department of Higher Education and Training (DHET). The amount of this overpayment is R12,240 thousand and related to 2012 scheme years. As at 31 March 2019, this issue had not yet been resolved. Due to this discrepancy, the BANKSETA has taken a conservative approach and recognised the levy provision. The BANKSETA has waited for the 5-year period allowed for the employer reversals in the income tax act to be reached before reallocating this to discretionary levy income.

***** The quantum and timing of payment of incentive bonus will be considered and approved by the board subsequent to year-end.

***** In current year, the board considered and approved the quantum and timing of payment of acting allowances paid subsequent to year-end.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS

	2018/19	2017/18
	R'000	R'000
Net (deficit) /surplus as per Statement of Financial Performance	150 059	(29 312)
Adjusted for non-cash items:		
Depreciation/amortisation	1 096	1 190
Allowances		
Adjusted for items separately disclosed		
Interest received	(49 131)	(44 052)
Adjusted for working capital changes:		
(Increase)/decrease in receivables from exchange transactions	(1 012)	153
(Increase)/decrease in receivables from non-exchange transactions	4 216	(2 351)
(Decrease)/Increase in payables and provisions	13 136	(31 011)
Cash generated from operations	118 363	(105 384)

16. CONTINGENCIES

16.1 Retention of surplus funds

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.

Instruction 6 of 2017/18 issued in May 2017 clarified that the surplus should be based on the following:

	2018/19	2017/18
	R'000	R'000
Cash and cash equivalents at the end of the year	724 613	557 799
Add: receivables	8 385	11 588
Less: current liabilities	(72 053)	(58 918)
Less: commitments	(363 862)	(315 924)
Total surplus	297 083	194 545*



Banking Sector Education and Training Authority

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

The BANKSETA submitted an application to the Department of Higher Education and Training and National Treasury for the retention of surplus funds and is awaiting approval.

* National Treasury re-interpreted the calculation by not considering lease commitments and prior year commitments have been adjusted accordingly.

16.2 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 R323 thousand (2017/18:R58 thousand) will be payable. The amount is contingent on the number of submissions received and approved.

1.7. COMMITMENTS

17.1 Discretionary reserve

Of the balance of R660 623 thousand (2017/18 : R510 411 thousand) available in the discretionary reserve as at year-end, R363 862 thousand (2017/18: R315 924 thousand) has been committed by the Accounting Authority for future projects and skills priorities shown below. Note that the definition of commitments by the Accounting Authority includes signed contracts and memoranda of agreements up to the approval date of the financial statements. Amounts for expenses that have already been incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury. At time of approval of the financial statements, the BANKSETA was awaiting approval from National Treasury.

Commitments

Project Name	Project number	Opening balance March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME: QUALITY ASSURANCE										
QCTO Pilot Project	246	130	-	-	-	130	-	(130)	-	-
Provision for General Management	594	3 600	-	(3 543)	(57)	-	-	-	-	-
Assessment Centre for RPL	621	7 102	-	(5 926)	-	1 176	-	(1 176)	-	-
Assessment Centre	620	-	5 189	(3 927)	-	1 262	741	(963)	(299)	741
Update FBS Fit & Proper Manual	643	-	324	(64)	-	260	-	(260)	-	-
Provision for General management	594	-	-	-	-	-	2 394	-	-	2 394
Total Quality Assurance		10 832	5 513	(13 460)	(57)	2 828	3 135	(2 529)	(299)	3 135

PROGRAMME: RESEARCH										
Doctoral & Post-Doctoral Studies Research Funding	538	-	-	-	-	-	-	-	-	-
Doctoral & Post-Doctoral Studies Research Funding	572	-	-	-	-	-	-	-	-	-
African Banking Expansion	581	-	9 800	(9 800)	-	-	-	-	-	-
Doctoral & Post Doctoral Studies Research Funding	612	50	200	(275)	25	-	-	-	-	-
Doctoral & Post-Doctoral Studies Research Funding	640	-	1 625	(1 575)	(50)	-	-	-	-	-
Africa Expansion Leadership Programme	581	-	-	-	-	-	26 216	(6 707)	-	19 509
Research Chairs Funding	944	-	-	-	-	-	14 757	(5 133)	-	9 624
Doctoral and Post-Doctoral Research Funding	645	-	-	-	-	-	1 525	(925)	(225)	375
Doctoral & Post-Doctoral Studies Research Funding	640	-	-	-	-	-	150	(100)	(25)	25
Total Research Programmes		50	11 625	-11 650	-25	-	42 649	-12 865	-250	29 533

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME: SKILLS DEVELOPMENT										
NSFAS Support Funding	456	5 040	11 341	(14 941)	(1 440)	(0)				(0)
Inter- Banking Compliance Project	494	-				-				-
Maths & Science Support Programme	496	25 132		(1 611)		23 521		(4 452)	(19 069)	-
PIVOTAL Grants Funding Window	509	-				-				-
CMD 2014	520	-				-				-
Consumer Education	521	-				-				-
IEDP Retail Banking	525	-				-				-
Masters and Executive 2014	536	-				-				-
Internships and Work Based Experience Programmes	536	-				-				-
Kuyasa 2014	546	4			(4)	(0)				(0)
Letsema 2014	547	-				-				-
18.1 Niche Learnership for the employed	549	-				-				-
18.2 Niche Learnership for Unemployed	550	-				-				-

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Subtotal Skills Development		30 176	11 341	(16 552)	(1 444)	23 521	-	(4 452)	(19 069)	(0)
PROGRAMME: SKILLS DEVELOPMENT (continued)										
Niche Learnership for Unemployed	551	-	-	-	-	-	-	-	-	-
Pivotal grant funding window 2014	552	-	-	-	-	-	-	-	-	-
Letsema 2015	557	-	-	-	-	-	-	-	-	-
Kuyasa Learnership	558	-	-	-	-	-	-	-	-	-
Learnership Funding for Unemployed	559	6 520	-	(5 760)	(760)	-	-	-	-	-
Work Readiness Programme for Graduates	560	959	16 185	(959)	(16 185)	0	-	-	-	-
Work Readiness Programme for Graduates	561	-	-	-	-	-	-	-	-	-
Internship and Work based Experience Funding	562	1 180	-	(512)	(668)	-	-	-	-	-
Learning Programme for Learners with Disabilities	564	945	-	(585)	(360)	-	-	-	-	-
Certificate in Management Development (GMD)	566	1 335	-	-	(1 335)	-	-	-	-	-
Pivotal Grant Funding Window	568	15 658	-	(7 489)	(8 169)	0	-	-	-	-
Learnership Funding for Employed	569	5 285	-	(1 697)	(3 588)	(0)	-	-	-	-
International Executive Development Programme - Investment Banking	571	-	-	-	-	-	-	-	-	-
Masters and Executive Bursaries	586	-1 582	-	(463)	2 045	-	-	-	-	-
Youth induction Programme	590	388	287	(23)	(652)	-	-	-	-	-
Organisational Risk Practitioner	591	3 798	-	(3 510)	(288)	-	-	(190)	190	-

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Kuyasa Learnership	598	21 401	-	(20 503)	(898)	(0)				-
Letsema Learnership	599	28 204	-	(26 532)	(1 672)	(0)				-
18.2 Learnership Funding	600	10 140	157	(6 958)	(2 540)	799		(580)	(219)	-
Work Readiness Programme	601	-	13 191	(13 191)		-				-
18.1 Internship Unemployed	602	3 700		(1 037)	(100)	2 563		(888)	(1 675)	-
18.2 Learnership Funding - Learners with Disabilities	604	1 215		(720)	(68)	427		(180)	(247)	-
Maths & Science Support Programme	605	601	12 138	(11 785)	(954)	-	5 362	(1 548)	247	4 061
18.1 Learnership Funding	607	10 763		(2 188)	(228)	8 347		(6 370)	(1 977)	-
Masters and Executive Bursaries	609	6 623		(2 310)	(4 016)	297		(210)	(87)	-
IEDP General Banking	610	-		(369)	369	-				-
IEDP Investment Banking	611	-				-				-
FAIS Compliance	613	8 322		(7 078)	(1 244)	-				-
18.2 Learnership Funding	614	42 639		(19 609)	(10 928)	12 102	953	(6 619)	(6 371)	65
Capacity Building workshops	622	1 123		(1 123)		-				-
IT Skill Funding	624	4 468		(3 771)	(697)	-				-
Learnership Funding	625	-	9 288	(4 941)	(2 194)	2 153	28 392	(10 931)	(1 130)	18 484
Learnership - Kuyasa	626	-	31 124	(6 412)	(18)	24 694		(23 439)	(1 255)	-
Learnership - Letsema	627	-	42 859	(8 148)	(38)	34 673	217	(29 711)	(4 962)	-
Learnership funding Window	628	-	20 360	(9 220)	-	11 140		(5 734)	(460)	5 163
Internships Unemployed	629	-	3 190	(657)	-	2 533		(1 600)		933
Learnership - People with disabilities	630	-	1 980	(900)	-	1 080		(450)		630
Pivotal Funding Window- Unemployed	633	-	5 225	(1 887)	-	3 338		(340)		2 998
IEDP - General Banking 2016-17	634	-	9 376	(9 364)	(12)	-				-

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
IEDP - Investment Banking 2016-17	635	-	9 189	(9 189)	-	-	-	-	-	-
Pivotal Funding Window- Unemployed	636	-	98 598	(40 263)	-	58 335	360	(13 256)	(4 000)	41 439
IT Skill Funding 2018-9	637	-	9 815	(5 041)	(23)	4 751	-	(2 372)	(708)	1 671
Pivotal Funding Window	646						124 681	(50 640)	(1 670)	72 371
Kuyasa Learnership	651						44 636	(16 979)	26	27 682
Letsema Learnership	652						39 570	(8 240)	-	31 330
Learnerships Unemployed	655						23 262	(9 721)	-	13 541
Learnerships Unemployed	653						4 275	(2 138)	-	2 138
NFSAS Support Funding	456						11 447	(5 005)	(1 440)	5 003
IT Skills Funding	647						9 436	(5 105)	-	4 330
Programmes supporting Learners with Disabilities	654						2 867	-	-	2 867
Higher Education Funding Window 2017 for IEDP Development Finance	641						9 000	(9 000)	-	-
International Executive Development Programme	649						20 336	(20 260)	(76)	0
Maths & Science Support Programme 2018	648						9 931	(9 906)	(26)	(0)

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Total Skills Development		203 860	294 303	(250 746)	(56 665)	190 752	334 726	(245 864)	(44 909)	234 706
Post School Public FET Capacity Building	480	18 588	-	(5 232)	(13 356)	0				-
UWC Thuthuka Project	510	8 983	-	(8 825)	-	158			(158)	(0)
Entrepreneurship Graduation Project	511	-	-	-	-	-				-
Work Readiness IT Programme	542	507	28 500	(8 516)	(4 643)	15 848	27 757	(26 818)	10 836	27 623
TVET Funding Window	543	-	-	-	-	-				-
TVET Funding Window	556	360	-	(290)	(70)	0				-
CoE: UniZulu (2015)	530	0	-	-	-	0				-
BANKSETA Higher Education Funding Window	563	34 771	-	(29 830)	(4 941)	0				-
Merit Bursaries	565	-	-	-	-	-				-
Post School Public UOT Capacity Building	567	57 705	-	-	(10 192)	47 513		(28 269)		19 244
University of Technology (UOT) Work Integrated Learning	577	1 414	-	(924)	(490)	(0)				-
CoE: UniZulu 2013	578	-	-	-	-	-				-
CoE: UniVenda (2015)	580	(0)	24 684	(12 977)	(11 707)	(0)				-
TVT WIL Funding 2015/16	582	7 408	246	(5 899)	(1 755)	-				-
BANKSETA - SSACI Bookkeeping apprenticeship	592	252	-	-	(252)	0				-
TVT WIL Funding 2015/16	593	309	-	(309)	-	(0)				-
BANKSETA Higher Education Funding Window	595	19 950	171 097	(182 900)	(1 337)	6 810	96 379	(96 205)	(5 815)	1 169
TVT WIL Funding 2016/17	596	15 435	7 938	(17 719)	(373)	5 281	13 986	(12 979)	(881)	5 407

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
TVT WIL Funding 2016/17	597	6 673	36 587	(20 634)	(3 779)	18 847	13 174	(10 477)	(5 829)	15 715
Entrepreneurial Skills Development Programme	659						9 920	(2 480)	-	7 440
ADM WIL	631						12 600	(3 780)	-	8 820
TVT WIL Funding 2015/16	582						360	(243)	(117)	-
BANKSETA - SSACI Bookkeeping apprenticeship	592						-	(252)	252	-
Total Capacity Building of Public Training Providers		172 355	269 052	(294 055)	(52 895)	94 457	174 176	(181 503)	(1712)	85 418

Commitments

PROGRAMME: INCLUSIVE BANKING/SMEs										
CMD for MicroFinance	492	-	-	-	-	-	-	-	-	-
Capacity Building in Development Finance	493	-	-	-	-	-	-	-	-	-
SME Support 2013	501	-	-	-	-	-	-	-	-	-
Co-operative Financial Institutions Support 2013	504	1	-	-	-	1	-	-	(1)	0
SME Support 2014	526	102	-	(92)	(10)	0	-	-	-	0
CMD for Micro Finance	548	-	-	-	-	-	-	-	-	-
Business Analyst Internship Programme	554	-	-	-	-	-	-	-	-	-
SME Support 2015	573	79	-	(98)	19	0	-	-	-	0
Rural Development Programme	574	114	-	(114)	-	0	-	-	-	0
Co-operative Financial Institutions	576	0	-	-	-	0	-	-	-	0
SME Funding for Scarce and Critical Skills	615	1 479	155	(1 012)	(274)	348	-	(192)	(156)	0
AET 2013	499	-	-	-	-	-	-	-	-	-

Commitments

Project Name	Project number	Opening balance 31 March 2017	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2017/18	Write Backs and Other adjustments 2017/18	Opening Balance 31 March 2018	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Co-operative Financial Institutions		-	-	-	-	-	-	-	-	-
Debt advise consulting	616	-	17 435	(2 907)	-	14 528	-	(9 058)	1	5 471
Entrepreneurial Skills Development Programme	618	10 500	-	(4 572)	-	5 928	-	(6 308)	380	-
SME Funding Window 2017	638	-	8 763	(4 366)	-	4 397	5 750	(8 289)	(467)	1 391
Capacity Building for Co-operatives-CBDA	639	-	3 959	(1 700)	-	2 259	-	(2 259)	-	-
SME Support 2018	658	-	-	-	-	-	3 307	-	-	3 307
Co-operative Banking Sector Board Members and Staff Development	650	-	-	-	-	-	3 800	(2 900)	-	900
Total Inclusive Banking/SME Programmes		12 276	30 312	(14 861)	(265)	27 462	12 857	(29 006)	(243)	11 070

PROGRAMME: MARKETING AND COMMUNICATIONS

Career Awareness: Life Orientation Teacher Training	606	763	-	-	(763)	(0)	-	-	-	-
SKILLS@WORK Awards 2016	619	1 435	-	-	(1 435)	(0)	-	-	-	-
Training of LOT - Project	632	-	1 000	(1 444)	870	426	-	(426)	-	-
Career Awareness	657	-	-	-	-	-	959	(959)	0	0
Total Marketing and Communications Programmes		2 197	1 000	-1 444	-1 328	425	959	-959	-426	0
TOTAL		401 570	611 805	(586 216)	(111 235)	315 924	568 502	(472 726)	(47 838)	363 862

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

In certain cases, the SETA enters into multi-year contracts whereby only the first year amount is unconditional and future years' amounts are dependent on several suspensive conditions which normally include satisfactory execution of the deliverables by the service provider, the SETA's continued need for the service, the availability of funds for that year and approval by the board as well as the extension of the SETA's license.

The SETA only discloses the commitment for the year where all suspensive conditions have been met as a commitment. The amounts that are still subject to suspensive conditions are not disclosed.

Amounts for 2020/21 R22,647 thousand and 2021/2022 R170 thousand

Project direct expenditure (per above)	586 216	462 726
Project admin expenditure - non-contractual	7 940	6 726
Total project expenditure	594 156	469 452

17.2 Other Commitments

Capital Expenditure

There were no capital expenditure commitments outstanding at year end

	2018/19	2017/18
	R'000	R'000
	-	-
	-	-
	-	-

17.3 Operating Leases

Total of future minimum lease payments under non-cancellable leases:

Not later than one year

Later than one year and not later than five years

	2018/19	2017/18
	R'000	R'000
	3 247	1 826
	125	711
	3 372	2 537

The operating leases above relate to building premises utilised for office accommodation and a printer. During September 2018 BANKSETA extended its lease agreement for the head office building until 31 March 2020. The office leases for the Polokwane and East London offices expires on 31 March 2020. The printer is under on a transversal contract till March 2021.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

18.1 Irregular Expenditure

Incident/Detail of Irregular Expenditure	Disciplinary Steps Taken/ criminal proceeding	2018/19	2017/18
		R'000	R'000
Contract entered into without National Treasury approval not to go out on competitive bid.	The board is still to assess the report and decide on this.	721	1296
Deviations that were not classified as sole supplier or emergency that did not have prior written National Treasury approval	None. The BANKSETA received notification of a new National Treasury instruction late after the transactions had already been approved by the Acting CEO.		6
Contracts extended past their maturity date without National Treasury prior written approval	None as this was due to a change in the lease for the head office.	118	
Invoice approved and paid on a MOA where the learners had been duplicated.	This amount is to be recovered	148	
Irregularities with Accounting software tender which resulted in the contract not yet signed but expenditure incurred	None. The BANKSETA board is still to elaborate.	364	
Bid not advertised for minimum period of 21 days before closure	None. The BANKSETA board is still to elaborate.	832	
Bid awarded to non-tax compliant service providers	None. The BANKSETA board is still to elaborate.	421	
Total irregular expenditure incurred in the current financial year		2 604	1 302

	2018/19	2017/18
	R'000	R'000
Opening balance	2 517	1 215
Less: reversal due to change in disclosure per new legislation *	(1 099)	
Add: Irregular expenditure - current year	2604	1 302
Less: amounts condoned by National Treasury	(989)	-
Closing Balance of Expenditure awaiting condonation/ to be recovered	3033	2 517
Irregular Expenditure awaiting condonation	3 033	2 517
Analysis of expenditure awaiting condonation per age classification		
Current year	2604	1 302
Prior years	429	1 215
Total	3033	2 517

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18.2 Fruitless and Wasteful Expenditure

Reconciliation of fruitless and wasteful expenditure

Fruitless and wasteful expenditure - opening balance	135	15
Fruitless and wasteful expenditure - current year	40	120
Less: amounts condoned by Board	(135)	-
Less: amounts recovered		-
Fruitless and wasteful expenditure awaiting condonation or recovery	40	135

	2018/19	2017/18
	R'000	R'000
Fruitless and wasteful expenditure - opening balance	135	15
Fruitless and wasteful expenditure - current year	40	120
Less: amounts condoned by Board	(135)	-
Less: amounts recovered		-
Fruitless and wasteful expenditure awaiting condonation or recovery	40	135

The expenditure under 2017/18 year relates:

- R110 thousand in hotel accommodation costs forfeited. This arose as a hotel booked for a project was not at an acceptable standard and the travel group had to be moved elsewhere; and

The expenditure under 2018/19 year relates:

-R40 thousand. The cost included in the advertisement, evaluation and adjudication of the head office lease tender that was not awarded.

19. FINANCIAL INSTRUMENTS

In the course of the SETA's operations it is exposed to credit, liquidity and market risk. The SETA 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.

19.1 Interest rate risk

The SETA manages its interest rate risk by effectively investing SETA surplus cash in term or call deposits with different financial institutions according to the SETA's investment policy.

The SETA's exposure to interest rate risk and the effective interest rates on financial assets at Statement of Financial Position date as well as carrying amounts for each category of financial instruments are as follows:

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

At amortised cost			
Interest bearing		Non-interest bearing	TOTAL R'000
Amount R'000	Effective interest rate	Amount R'000	

Year ended FOR THE YEAR ENDED 31 MARCH 2019

Assets

Cash	724 613	7,29%	-	724 613
Accounts receivable from non-exchange transactions	-	-	3 921	3 921
Other accounts receivable	-	-	4 465	4 465
Total financial assets	724 613	7,29%	8 386	732 999

Liabilities

Trade and other payables & Provisions	-	-	72 053	72 053
Total financial liabilities	-	-	72 053	72 053

Year ended 31 March 2018

Assets

Cash and cash equivalents	557 799	7,55%	-	557 799
Accounts receivable from non-exchange transactions	-	-	8 138	8 138
Other accounts receivable	-	-	3 452	3 452
Total financial assets	557 799	7,55%	11 590	569 389

Liabilities

Trade and other payables & Provisions	-	-	58 918	58 918
Total financial liabilities	-	-	58 918	58 918

19.2 Liquidity risk

Liquidity risk is the risk that the entity could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment.

The BANKSETA is exposed to liquidity risks as it has outstanding obligations to make payments to levy-paying employers and training providers for training that has been completed and also payments to trade creditors for goods delivered and services rendered.

The SETA's financial instruments consist mainly of cash and cash equivalents, receivables from exchange and non-exchange transactions and payables from exchange and non-exchange transactions. 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:

The SETA manages liquidity risk through proper management of working capital, capital expenditure and review of cashflows against budgeted cashflows as detailed in the finance policies. Adequate reserves and liquid resources are also maintained.

ANNUAL FINANCIAL STATEMENTS
FINANCIAL INSTRUMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

19.3 Ageing of financial assets and liabilities

The ageing of receivables from exchange transactions and non-exchange transactions

	2018/19		2017/18	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	-	-	-	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	4 198	(327)	7 947	(52)
Total receivables	4 198	(327)	7 947	(52)

The ageing of cash and cash equivalents:

	2018/19		2017/18	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	724 613	-	557 799	-
Total cash and cash equivalents	724 613	-	557 799	-

The ageing and carrying amounts of each category of financial liabilities is as follows;

2018/19

	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and other payables from exchange transactions	(3 269)	(3 269)	(3 269)	-	-	-
Trade and other payables from non - exchange transactions	(57 995)	(57 995)	(57 995)	-	-	-

2017/18

	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and other payables from exchange transactions	(3 929)	(3 929)	(3 897)	-	(32)	-
Trade and other payables from non - exchange transactions	(44 579)	(44 579)	(44 579)	-	-	-

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

In case of liquidity problems, funding resources might be available in terms of DHET and National Treasury approval for borrowing requirements in the open market.

19.4 Credit risk

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA's concentration of credit risk is limited to the banking industry in which the SETA operates. No events occurred in the banking industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. The SETA is exposed to a concentration of credit risk, as significant amounts is owed by the South African Revenue Service (SARS). This concentration of risk is limited as SARS is a government entity with a sound reputation. Accounts receivable are presented net of allowance for doubtful debt.

19.5 Exposure to credit risk

The carrying amounts of financial assets that represent the maximum exposure to credit risk are as follows and approximates the fair value:

19.6 Credit quality

The credit quality of the financial assets are sound.

Cash and cash equivalents are mainly fixed deposits at the well-established institutions approved by National Treasury. No security is held for these items.

Receivables from exchange transactions is mainly the interest due on these fixed deposits which is capitalised on the first business day of the following month and deposits on office accommodations with reputable well established companies.

Receivables from non-exchange companies arise from reversals from SARS on SDL received and in most cases is recoverable from future SDL receipts.

	2018/19	2017/18
	R'000	R'000
Cash and cash equivalents	724 613	557 799
Receivables from exchange transactions	4 465	3 452
Receivables from non - exchange transactions	3 921	8 138
	732 999	569 389

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

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the SETA and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Receivables

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair value.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Payables

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

19.7 Market risk

The SETA is exposed to fluctuations in the employment market for example sudden changes in employment or salary rate may impact levy income. The banking sector is also exposed to general market conditions domestically as well as ratings from international agencies. This in turn impacts on the banking sectors profitability and employment within the sector. No significant events occurred during the year that the SETA is aware of.

20. NEW ACCOUNTING PRONOUNCEMENTS

At the date of 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.

	Statement	Effective date, commencing on or after
Related Parties Disclosures	GRAP 20	1 April 2019
Service Concession Arrangements: Grantor	GRAP 32	1 April 2019
Separate financial statements	GRAP 34	1 April 2019
Consolidated financial statements	GRAP 35	1 April 2019
Investments in Associates and Joint Ventures	GRAP 36	1 April 2019
Joint Arrangements	GRAP 37	1 April 2019
Disclosure of Interests in Other Entities	GRAP 38	1 April 2019
Statutory Receivables	GRAP 108	1 April 2019
Accounting by Principals and Agent	GRAP 109	1 April 2019
Living and non-living resources	GRAP 110	1 April 2020
Transfer of Functions Between Entities Under Common Control**	GRAP 105	1 April 2019
Transfer of Functions Between Entities Not Under Common Control**	GRAP 106	1 April 2019
Mergers**	GRAP 107	1 April 2019
Service Concession Arrangements: Grantor	IGRAP 17	1 April 2019
Recognition and Derecognition of land	IGRAP 18	1 April 2019
Liabilities to pay levies	IGRAP 19	1 April 2019
Financial Instruments	GRAP 104	Amendments with no effective date yet
Applying the propability test on initial recognition of revenue	IGRAP 1	Amendments with no effective date yet
Related Parties Disclosures	GRAP 20	Amendments with no effective date yet

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

**Subject to changes in SETA landscapes

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 38: Disclosure of Interests in Other Entities

the objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows. This standard will effect the BANKSETA's reporting in the future.

GRAP 108: Statutory receivables

The standard prescribes the accounting treatment of receivables that arise from legislation, supporting regulations, or similar means. It is not expected that this standard will significantly impact future disclosures.

GRAP 109: Accounting by principals and agents

GRAP 109 outlines principles to assess whether an entity is party to a principal-agent arrangement. The standard will not effect the BANKSETA's reporting.

GRAP 110: Living and non living resources

The standard prescribes the accounting treatment for living and non living resources. The standard will not effect BANKSETA's reporting.

GRAP 105: Transfer of Functions Between Entities Under Common Control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. The standard will effect BANKSETA's reporting should there be a merger of SETAS

GRAP 106: Transfer of Functions Between Entities Not Under Common Control

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. The standard will effect BANKSETA's reporting should there be a merger of SETAS

GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger. The standard will effect BANKSETA's reporting should there be a merger of SETAS.

IGRAP 17: Service Concession Arrangements: Grantor

The purpose is to prescribe the accounting for service concession arrangements by the Grantor. The standard will not effect the BANKSETA's reporting.

IGRAP 19: Liabilities to pay levies

The Interpretation provides guidance on when to recognise liabilities to pay levies, i.e. when the activity that triggers the payment of a liability occurs. A levy is a non-exchange transaction that is imposed by government (local, provincial or national) on entities in accordance with legislation. The standard will effect BANKSETA's reporting.

21. 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 estimates.

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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 reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and residual value of property and equipment and intangible assets

The SETA has reviewed the residual values used for the purposes of depreciation calculations in light of the amended definition of residual value. The useful lives of assets were reassessed at the end of the financial year as per the table shown below. The new depreciation rates have been applied prospectively from the the beginning of the financial year. Residual values are reviewed annually.

Notes: Refer to note 7 and 8 for the respective carrying values.

22. RELATED PARTY TRANSACTIONS

Transactions with entities under common control

The SETA was controlled by the Department of Labour, for the period up until 31 October 2009, and since 1 November 2009 by the Department of Higher Education and Training. The Departments were controlled, respectively by the Minister of Labour and Minister of Higher Education and Training.

By virtue of the fact that BANKSETA is a National Public Entity related to other entities and Departments in the National sphere of government it is considered related to Telkom, Eskom, South African Airways, other SETAs and the National Skills Fund. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these amounts were disclosed below:

InterSETA transactions and balances arise due to the movement of employers from one SETA to another.

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

		2018/19		2017/18	
		R'000		R'000	
		Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
Receivables	9	50	50	243	243
FASSET		50	50	168	168
Services Seta				75	75
Payables	13	-	-	-	-
		-	-	-	-
Total		50	50	243	243

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

*Note that relating to SETA transfer that the amount of the transaction, where applicable, includes interest and penalties transferred to or from the SETA.

Remuneration of key management

The key management personnel (as defined by GRAP 20, Related Party Disclosures) of BANKSETA are: the members of the Accounting Authority and the members of the senior management group.

The Accounting Authority consists of members appointed in terms of its constitution. The Chief Executive Officer attends meetings of the Accounting Authority but is not a member of the Accounting Authority. The aggregate remuneration of members of the Accounting Authority and the number of members receiving remuneration within this category are:

	2018/19	2017/18
	R'000	R'000
Aggregate remuneration	2 654	1 024
Number of persons	12	13

22. RELATED PARTY TRANSACTIONS (continued)

The senior management group consists of the SETA's Chief Executive Officer, the Chief Financial Officer and the following General Managers: General Manager: Operations and General Manager: Corporate Services. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

	Basic salary remuneration R'000	Post- employment benefits pensions R'000	Other short-term benefits R'000	Bonuses and performance related amounts R'000	Total remuneration 2018/19 R'000	Total remuneration 2017/18 R'000
CEO *	267	41	17	-	325	-
CFO	1 285	159	51	579	2 074	1 930
GM: Operations	1 284	159	51	582	2 076	1 903
GM: Corporate Services	1 269	158	70	574	2 071	1 975
Company Secretary **	791	98	318	-	1 207	1 664
Total	4 896	615	507	1 735	7 753	7 472

* The position of the CEO was vacant for 10 months of the year.

** The Company Secretary acted as the CEO for 10 months of the year

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23. TRANSACTIONS WITH STAKEHOLDERS REPRESENTED ON THE ACCOUNTING AUTHORITY

BANKSETA has, in the normal course of its operations, entered into certain transactions with entities which had a nominated representative serving on BANKSETA's Accounting Authority.

Related party	Nature of relationship	Transaction type	2018/19		2017/18	
			Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ (payable)
			R'000		R'000	
Payables						
First Rand Bank	Accounting Authority Member	Discretionary and mandatory grants	(6 115)	(6 115)	(3 052)	(3 052)
ABSA	Accounting Authority Member	Discretionary and mandatory grants			(2 914)	(2 914)
Nedbank	Accounting Authority Member	Discretionary and mandatory grants	(3 122)	(3 122)	(2 390)	(2 390)
Standard Bank	Accounting Authority Member	Discretionary and mandatory grants	(10 794)	(10 794)	-	-
Capitec	Accounting Authority Member	Discretionary and mandatory grants			(1 035)	(1 035)
South African Reserve Bank	Accounting Authority Member	Discretionary and mandatory grants	(264)	(264)		
Sasbo	Accounting Authority Member	Discretionary and mandatory grants	(8)	(8)		
Total			(20 303)	(20 303)	(9 391)	(9 391)

The above transactions occurred under terms that were no less favourable than those available in similar arm's length dealings.

24. SEGMENT REPORTING

The BANKSETA has identified the levy categories of mandatory, discretionary and admin levies as the reportable segments based on the type of expenditure that may be funded from each category of levies per legislation. Mandatory levies are utilised for mandatory grants paid to qualifying levy paying stakeholders in the sector who submit a Workplace Skills Plan and Annual Training Report in the prescribed format within the legislated timeframes. This levy is currently 20% of the skills development levy received by the SETA. The discretionary levy is currently 49.5% of the levy received by the SETA and is utilised to fund discretionary projects

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

and programmes within the sector that are aligned with the national skills and sector skills priorities and are approved by the sector. Any investment and other income is swept into the discretionary grant reserves and funds discretionary projects. Administration levies accounts for 10.5% of the levies paid to the SETA. It is used to fund QCTO and administration cost of the SETA including research.

The assets and liabilities that are directly attributable to each segment are reported within the segment whilst those assets utilised across the entity are shown separately.

The BANKSETA does not use geographical segments for reporting or decision-making, except to the extent that the concentration of stakeholders in any geographical area determines the positioning of regional offices. This method is also not used for internal reporting.

2018/19							
Reconciliation to the statement of financial performance							
Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Non segmented amounts	Total	Note
	R'000	R'000	R'000	R'000	R'000	R'000	
Segment Revenue							
Revenue from non-exchange transactions	193 035	504 029	105 457	802 521	-	802 521	
Interest revenue from non-exchange transactions	-	30 373	-	30 373	-	30 373	
Total revenue from non-exchange transactions	193 035	534 402	105 457	832 894	-	832 894	
Total revenue from exchange transactions	-	50 013	86	50 099	-	50 099	
Total revenue	193 035	584 415	105 544	882 993	-	882 993	
Segment Expenditure							
Employer grant expenses	(187 921)	-	-	(187 921)	-	(187 921)	5
Discretionary Project expenses	-	(469 452)	-	(469 452)	-	(469 452)	5
Administration expenses	-	-	(74 465)	(74 465)	-	(74 465)	6
Depreciation/amortisation	-	-	(1 096)	(1 096)	-	(1 096)	6
Total Expenditure	(187 921)	(469 452)	(75 561)	(732 934)	-	(732 934)	
SURPLUS (DEFICIT) FOR THE PERIOD	5 114	114 963	29 982	150 059	-	150 059	

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Reconciliation to the statement of financial position							
Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Non segmented amounts	Total	Note
	R'000	R'000	R'000	R'000	R'000	R'000	
Assets							
Non-current assets							
Property and equipment	-	-	-	-	2 731	2 731	7
Intangible assets	-	-	-	-	71	71	8
Current assets							
Receivables from non-exchange transactions	3 921	-	-	3 921	-	3 921	9
Receivables from exchange transactions	-	4 465	-	4 465	-	4 465	10
Cash and cash equivalents	-	-	-	-	724 613	724 613	11
Total assets	3 921	4 465	-	8 384	727 415	735 801	
Liabilities							
Current liabilities							
Payables from exchange transactions	-	-	3 269	3 268	-	3 268	12
Payables from non-exchange transactions	57 995	-	-	57 995	-	57 995	13
Provisions	1 490	-	9 299	10 789	-	10 789	14
Total liabilities	59 486	-	(12 567)	72 052	-	72 053	
NET ASSETS AND LIABILITIES	(55 565)	4 465	(12 567)	(63 666)	727 415	663 748	
Funds and reserves							
Administration reserve	-	-	2 802	2 802	-	2 802	
Employer grant reserve	323	-	-	323	-	323	
Discretionary reserve	-	660 623	-	660 623	-	660 623	
TOTAL FUNDS AND RESERVES	323	660 623	2 802	663 749	-	663 748	

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

24 SEGMENT REPORTING (continued)

2017/18							
Reconciliation to the statement of financial performance							
Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Non segmented amounts	Total	Note
	R'000	R'000	R'000	R'000	R'000	R'000	
Segment Revenue							
Revenue from non-exchange transactions	170 400	475 491	92 605	738 496	-	738 496	
Interest revenue from non-exchange transactions	-	26 809	-	26 809	-	26 809	
Total revenue from non-exchange transactions	170 400	502 300	92 605	765 305	-	765 305	
Total revenue from non-exchange transactions	-	44 052	79	44 131	-	44 131	
Total revenue	170 400	546 352	92 684	809 436	-	809 436	
Segment Expenditure							
Employer grant expenses	(165 651)	-	-	(165 651)	-	(165 651)	5
Discretionary Project expenses	-	(594 156)	-	(594 156)	-	(594 156)	5
Administration expenses	-	-	(77 751)	(77 751)	-	(77 751)	6
Depreciation/amortisation	-	-	(1 190)	(1 190)	-	(1 190)	
Total expenditure	(165 651)	(594 156)	(78 941)	(838 748)	-	(838 748)	
SURPLUS (DEFICIT) FOR THE PERIOD	4 749	(47 804)	13 743	(29 312)	-	(29 312)	

ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Reconciliation to the statement of financial position						
Segment Reporting	Mandatory	Discretionary	Admin	Total Segmental reporting	Non segmented amounts	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets						
Non-current assets						
Property and equipment	-	-	-	-	3 067	3 067 7
Intangible assets	-	-	-	-	151	151 8
Current assets						
Receivables from non-exchange transactions	8 136	-	-	8 136	-	8 136 9
Receivables from exchange transactions	-	3 452	-	3 452	-	3 452 10
Cash and cash equivalents	-	-	-	-	557 799	557 799 11
Total assets	8 136	3 452	-	11 587	561 017	572 605
Liabilities						
Current liabilities						
Payables from exchange transactions	-	28 592	3 929	32 521	-	32 521 12
Payables from non-exchange transactions	15 987	-	-	15 987	-	15 987 13
Provisions	1 546	-	8 864	10 410	-	10 490 14
Total liabilities	17 533	28 592	12 793	58 918	-	58 918
NET ASSETS AND LIABILITIES	(9 397)	(25 140)	(12 793)	(47 330)	561 017	513 687
Funds and reserves						
Administration reserve	-	-	3 218	3 218	-	3 218
Employer grant reserve	58	-	-	58	-	58
Discretionary reserve	-	510 411	-	510 411	-	510 411
	58	510 411	3 218	513 687	-	513 687

**ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

25. NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Legislation requires that the SETA annually, in August submit a budget to the Minister for approval. Any subsequent changes required to the initial budget are approved by the SETA's Board on recommendation of the Finance and Remuneration Committee.

25.1 Skills Development Levy: Income from non-exchange transactions

The levy receipt for the current year income was 6% higher than the original budget for the year and 12% above the previous year. This points to an upturn in employment and bonuses in the sector reflected by the banks' good results in 2018.

25.2 Skills Development Levy: penalties and interest from non-exchange transactions

Income from penalties and interest arise when employers fail to submit their returns as required by legislation. These amounts typically vary significantly year on year and indicates growing non-compliance in the sector. The full balance is made available for discretionary projects.

25.3 Investment Revenue from Exchange Transactions

Investment revenue from exchange transactions was 67% greater than what was budgeted for due to increasing money market rates in 2018/19.

25.4 Employer grant

The approved final budget only includes the estimated mandatory grant spending of the current financial year. There was an increase in mandatory grant expenditure in line with the levies received. The mandatory grant claim ratio remained at 97%.

25.5 Project expenditure

The approved final budget covers the estimated project spending of the current financial year. The actual project expenditure was within the budget together with 2017/18 surpluses which the BANKSETA had received approval to retain and utilise. The timeframe of some projects of over more than one year. The lower than usual expenditure is due to slight detail in signing agreements and contracts pending a review process to ensure continuous improvement.

25.6 Administration expenses

Administration expenditure is limited to 10.5% of levies received. The legislation limit has not been exceeded and the savings will be utilised to fund sector skills priorities, through various projects.

26. GOING CONCERN

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to an ongoing concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The SETA is currently established until 31 March 2020.

27. EVENTS AFTER REPORTING DATE

There are no material post year-end events







Connect with us...



GAUTENG HEAD OFFICE

Tel: (0) 11 805 9661

Fax: (0) 11 805 8348

Address: 94 Bekker Road

Thornhill Office Park

Block 22, Vorna Valley

Midrand, 1685

Anti-Fraud Hotline 0800 222 985 (FREE CALL)

www.bankseta.org.za

Info@bankseta.org.za