



BANKING SECTOR EDUCATION AND TRAINING AUTHORITY



A NEW DAWN

Past Challenges, Successes, Future Endeavours

ANNUAL REPORT 2019-2020

A NEW DAWN



- AN ENGAGED LEADERSHIP
- INNOVATIVE WORKPLACE INTERVENTIONS
- ROBUST STAKEHOLDER ENGAGEMENT
- PRIORITISING STAKEHOLDER NEEDS
- BUILDING AND SUSTAINING STRATEGIC RELATIONSHIPS
- AN INCLUSIVE ORGANISATION
- EMBRACING THE NEW WORLD OF WORK



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



**DEPUTY MINISTER OF HIGHER EDUCATION,
SCIENCE AND INNOVATION
MR BUTI KGWARIDI MANAMELA**

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

Dear Honourable Minister,

REPORT TO THE HONOURABLE MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION, 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 2020.

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 with the Department of Higher Education and Training.

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 Faithfully,

Mr. Lefaso Motsoeneng
Acting Chief Executive Officer (ACEO)

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PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name:

Registered Number:

Website:

External Auditors:

The Bankers:

Company Secretary:

Telephone:

Banking Sector Education and Training Authority

02/BANKING/1/04/20

www.bankseta.org.za

The Auditor-General of South Africa

Nedbank Corporate Banking

Ms. Tiholo Mojapelo

+27 11 805 9661

Publisher:

BANKSETA

Acting Chief Executive Officer

GAUTENG HEAD OFFICE

Tel: (0)11 805 9661

Email: Info@bankseta.org.za

Postal Address:

PO Box 11678

Vorna Valley

1686

Building C2

Eco Origin Office Park

Entrance 1

349 Witch-Hazel Avenue

Eco-Park Estate

Highveld

Centurion

0144

LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AA	Accounting Authority
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ATR	Annual Training Report
ARC	Audit and Risk Committee
BANKSETA	Banking Sector Education and Training Authority
BASA	Banking Association South Africa
CEO	Chief Executive Officer
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
NFSAS	National Skills Financial Aid Scheme
NEET	Not in Education, Employment or Training
NGOs	Non-Governmental Organisations
NQF	National Qualifications Framework
NSDS	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
UoT	Universities of Technology
WBL	Work Based Learning
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 Corporate Governance.

The annual report seeks to measure, disclose and account to internal and external stakeholders on organisational performance. The report consists of a comprehensive 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 reporting period for the 2019/20 financial year is therefore in line with the requirements of the said Acts and regulations.

ANNUAL FINANCIAL STATEMENTS FOR THE 2019/20 FINANCIAL YEAR

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





THE CHAIRPERSON'S REPORT



**CHAIRPERSON OF THE BOARD
MS. NOSIPHO 'MIA' MAKHANYA**

It is my pleasure to present the BANKSETA Annual Report for the 2019 / 2020 financial year.

In the year under review, the BANKSETA Board continued to provide valuable oversight of the BANKSETA's strategy, governance, operations and performance. The BANKSETA's strategic focus areas, as expressed in the Sector Skills Plan (SSP) and Annual Performance Plan (APP), were aligned to the National Skills Development Strategy and Plan, as well as the national skills priorities, with a particular focus on alternative banking, youth development, persons living with disabilities, women, digitisation and skills development.

In addition, the Board welcomed and incorporated the Auditor-General's findings for the 2018/19 financial year and subsequently placed additional emphasis on improving the BANKSETA's internal control environment. This was done by implementing an organisational renewal intervention, re-evaluating the supply chain management function, the risk management function, as well as strengthening operational safeguards relating to performance management and evaluation.

The organisational renewal intervention seeks to once again position the BANKSETA as a SETA of excellence, with a world-class work environment. The Board acknowledged that organisational renewal would be a fairly slow and arduous task, but remained committed to it. It is the Board's hope that as employees become increasingly familiar with a renewed culture of responsibility and accountability, as well as with the enhanced control environment, they will find it easier to work towards meeting the BANKSETA's mandate.

The Board further employed the services of field experts in supply chain management and risk management, to strengthen the BANKSETA's policies and internal procedures to align them to industry best practice. Particular attention was placed on skills transfer to executive management. In addition, the Board appreciated the need to bring in permanent risk management expertise into the BANKSETA, and this process is underway.

The Board welcomed collaborations made with the Auditor-General's office, as facilitated through the scheduled Status of Record Review. The Auditor-General's office has been extremely forthcoming and

supportive as the BANKSETA improves its internal control environment. Further, the BANKSETA has maintained an amiable, open and productive relationship with the Department of Higher Education and Training, whose advice, guidance and assistance has been greatly appreciated. Our relationship with the National Skills Authority (NSA) has also been equally positive. The NSA, as a key stakeholder, has advised us on executing performance targets and improving our governance structures. These professional relationships and strategic interventions have helped the Board in steering the BANKSETA to greater heights.

The Board noted with concern a sizeable fall in the BANKSETA's performance, as compared to previous years, where organisational targets were often met and duly exceeded. It was the Board's desire to have executive management hold employees accountable, and where skills gaps existed, for development plans to be agreed upon with the concerned employees. Further, in instances where allegations of gross underperformance or misconduct were levelled, the Board underscored the need to conduct comprehensive investigations through independent assessors, followed by consequence management where necessary.

To this end, the BANKSETA would like to extend its national reach, taking into consideration the use of collaborative partnerships and relationships with stakeholders. Further, the BANKSETA would like to build on establishing working relationships with community-based institutions and organisations as a way of reaching potential beneficiaries residing in outlying townships and rural areas.

Going forward, our medium-term goals are to bring about organisational renewal and cultural change, whilst strengthening the internal control environment. In addition, the BANKSETA will endeavour to further develop stakeholder relationships and to facilitate widespread representation within the sector.

The COVID-19 pandemic has exposed the fragility of outdated learning platforms and facilities. With the challenge of face-to-face learning, the BANKSETA is continuously revising its execution plan to align with the growing need for online or virtual skills development and learning, especially taking into account the needs of the beneficiaries, service providers and employers.

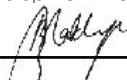
I would like to thank the BANKSETA executive management and employees for their commitment and positive response to the Board's vision for the BANKSETA. Equally, I want to thank the outgoing Board, who have continuously displayed tremendous tenacity, agility and commitment towards fulfilling the BANKSETA's goals, and wish them well in their future endeavours.

I would also like to extend a special thank you to the Honourable Minister, Dr Nzimande, for lending us an ear and guiding us, as well as reappointing me as the Chairperson of the BANKSETA.

We remain committed to turning the BANKSETA around to become a SETA of excellence that has tangible impact on the ground.

We remain committed to skills development within the sector.

We remain committed to meeting our skills and development objectives in line with the National Development Plan.


Ms. Nosipho Makhanya
30 September 2020

CHIEF EXECUTIVE OFFICER'S REPORT



**ACTING CHIEF EXECUTIVE OFFICER
MR. LEFASO MOTSOENENG**

OVERVIEW

The year under review was characterised by challenging operating conditions. While we had expected the economic environment to be difficult, the BANKSETA experienced some unexpected growth through levy contributions made by the banking sector. We are pleased with the progress made towards advancing our skills development mandate. Furthermore, a sustainable balance sheet is evidence of our ability to manage our levies in line with the Skills Development Act.

The South African economy has been struggling to gain momentum, failing to grow by more than 2.5% a year since 2013. The economy contracted by 2.1% in Quarter 1 of 2020, which was more than expected, but it was the biggest quarterly fall in economic activity in more than a decade. The banking sector, valued at more than R5.686 trillion in 2019, has for years been characterised by an enduring oligopoly market structure with 19 registered banks, 4 mutual banks, 4 co-operative banks, 15 local branches of foreign Banks, and 30 foreign banks with approved local representative offices.

These 19 banks held a market share of approximately 91%, based on total assets, and an approximately 92% market share, based on total deposits; indicating the highest levels of market concentration of all the financial services sub-sectors. This equated to 9.3% growth in total assets for banks in South Africa from 2018. Furthermore, during the reporting year, banks introduced digital banking platforms, developments that are fully in line with The Fourth Industrial Revolution (4IR) advancements.

COVID-19

The World Health Organization (WHO) declared a Coronavirus outbreak on 30 January 2020. The COVID-19 pandemic's negative impact on businesses and subsequent job losses will lead to diminished economic viability in the foreseeable future. The BANKSETA recognises the significance of national and international responses in mitigating the consequences of the COVID-19 pandemic. As the Minister of Higher Education Science and Innovation, Dr Blade Nzimande, emphasised, SETAs are a core part of a nationwide systemic response to COVID-19. As such, skills development will be an essential component of the revitalisation and transformation of the national economy. As businesses grapple with the economic impact of COVID-19 on global and local economies, the enforced lockdown has created its own dynamics that are bound to impact workplaces post-COVID-19, because businesses are coming under increasing pressure to manage costs. Indeed, working remotely via virtual platforms is increasingly becoming the norm, and this will have a direct bearing on how skills programmes will be developed and facilitated in the future.

ORGANISATIONAL CULTURE

Organisational culture undoubtedly plays a vital role in promoting healthy, productive and beneficial relationships among the staff. A warm, open and progressive work environment unites employees, improves performance effectiveness, reduces conflict and encourages the establishment of an effective and functional organisation. With the introduction of the organisational renewal exercise last year, the BANKSETA, working in partnership with the employees' representative (NEHAWU), continued to invest more in staff learning and development in order to create a supportive environment and retain exceptional talent. Our short-term incentive scheme has both attracted and retained talent for the organisation.

SKILLS FOR THE FUTURE AND CONTINUOUS LEARNING

With approximately 10 million youth unemployed and limited work opportunities available for unemployed graduates, South Africa has a jobs crisis. The BANKSETA's skills development projects have been established with a focus on addressing the skills gaps identified in the Sector Skills Plan and fulfilling the strategic goals of the BANKSETA as informed by the deliverables outlined in the National Development Skills Strategic Plan. The BANKSETA's specially designed programmes and impressive performance on discretionary grants and projects demonstrate that developmental commitment. We continue to identify scarce and critical skills within the sector as articulated in the Sector Skills Plan overview and allocated discretionary grant funding.

FOURTH INDUSTRIAL REVOLUTION(4IR)

The 4IR and digitalisation in the Banking Sector require agile and responsive solutions to meeting new and emerging skills needs. In response to this challenge, the BANKSETA designed and developed a range of training courses dealing with skills for the future. The courses were made available to all stakeholders in and outside of the sector. Research and engagement with both the sector and the union (SASBO) is ongoing to ensure bank workers are reskilled or upskilled to meet the novel demands of a rapidly developing job market.

FINANCIAL PERFORMANCE RESULTS

The BANKSETA as a public entity is also guided by National Treasury in terms of the Public Finance Management Act (No. 1 of 1999 as amended by Act 29 of 1999). The expenditure is segmented as follows:

- Administration;
- Discretionary projects; and,
- Mandatory grant.

In the year under review, the BANKSETA's revenue amounted to R 916 370 million. The organisation was allocated the same amount for budgetary purposes as per the SETA funding regulations.

In the year under review, the BANKSETA's income from the Skills Development Levy increased by 2%. This is attributable to various factors, such as annual salary growth in the sector and an increase in the number of techbanks registered as employers with the SETA. The expenditure on discretionary projects decreased by 10% from the previous year, at the end of 2019/20, as contractual commitments totalled R337million in relation to discretionary projects. The administration expenditure increased by 8% owing to active measures taken to improve cost efficiency in the administration of the entity.

A cash surplus of R 205 453 million was uncommitted and requested for roll over into the 2020/21 financial year for use in implementing discretionary projects. Levies are expected to be received and expenditure incurred in line with the Skills Development Levies Act (SDLA).

AUDIT RESULTS

The BANKSETA is pleased to have achieved an unqualified audit report. This achievement is a testimony to the commitment and integrity of the BANKSETA staff and the oversight of the Accounting Authority. The BANKSETA has to make significant improvements towards addressing the material findings stated in the audit report, and develop an action plan for the identified risk areas (i.e. contract management and annual performance targets) and drivers of internal controls. In this respect, consequence management was implemented, thereby embedding accountability for individual underperformance as an organisational imperative.

SUPPLY CHAIN MANAGEMENT

The BANKSETA's supply chain management processes improved over the preceding year and continue to do so as indicated in the BANKSETA's Audit Report. The Stakeholder Satisfaction Survey rating for supply chain management processes and service offerings was 4.1/5 for the 2019/20 financial year. The BANKSETA will continue trying to improve services in this regard, where there are concerns, and we will continue aiming to provide excellent service to all our stakeholders.

STAKEHOLDER PARTICIPATION

The BANKSETA continued to engage with and strengthen its collaboration with banking, microfinance, co-operative organisations and industry partners in the sector in an effort to address sector-specific needs. The BANKSETA's existence and continued success is largely the result of unwavering support from the various stakeholders who have continued to drive the skills development agenda throughout the years.

APPRECIATION

On behalf of the management team, I extend my gratitude to the BANKSETA staff for their continued commitment and high performance. May the years ahead be productive. To quote Dr Kwame Nkrumah, "the light will continue to burn and be borne aloft, giving light and guidance to all people".



ACTING CHIEF EXECUTIVE OFFICER
Mr. Lefaso Motsoeneng
30 September 2020

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF 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.

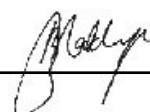
The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgments made in this information.

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 2020.

Yours Faithfully

Yours Faithfully



ACTING CHIEF EXECUTIVE OFFICER
Mr. Lefaso Motsoeneng
30 September 2020

CHAIRPERSON OF THE BOARD
Ms. Nosipho Makhanya
30 September 2020

STRATEGIC OVERVIEW

STRATEGIC OUTCOME-ORIENTED GOAL

STRATEGIC OUTCOME-ORIENTED GOAL 1

To conduct research on sector skills and undertake benchmarking against national and international best practices to ensure relevant and cutting-edge interventions.

STRATEGIC OUTCOME-ORIENTED GOAL 3

To provide the employed workforce with scarce and critical skills to close skills gap.

STRATEGIC OUTCOME-ORIENTED GOAL 2

To enhance the employability of the South African youth through effective education and training development initiatives.

STRATEGIC OUTCOME-ORIENTED GOAL 4

Enhance small and medium enterprise (SME) participation, sustainability and job creation through skills development.

STRATEGIC OVERVIEW

VISION

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

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 CORPORATE VALUES

- Respect – the way we treat all people
- Innovation – We strive to constantly up our game
- Stakeholder focus – We strive to consistently improve our offerings
- Professionalism – we benchmark against the best
- Diversity – A strength that binds us
- Integrity – we act accordingly and encourage reciprocity
- Teamwork – in providing service to our stakeholders, we work as one

LEGISLATIVE AND OTHER MANDATES

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended by Act 26 of 2011 and operates within the following mandates:

CONSTITUTIONAL MANDATE

The BANKSETA's mandate is informed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The sections 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; stakeholders are encouraged to participate in policy-making; and,
- Rendering an accountable, transparent, and development-oriented administration.

LEGISLATIVE MANDATES

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

- Skills Development Levies Act, 1999 (Act No 09 of 1999)
- Regulations published in the Government Gazette, No. 35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters (updated by NT Circular 15 2017 which set aside Regulation 3(12) to send uncommitted surpluses to NSF)
- South African Qualifications Authority Act, 1995 (Act No 58 of 1995)
- The National Qualifications Framework Act, (Act No. 67 of 2008)
- Public Finance Management Act (Act No 29 of 1999)
- Employment Equity Act, 1998 (Act No 55, 1998)
- Promotion of Access to Information Act, 2000
- Regulations published in the Government Gazette, No. 35940, 03 December 2012 and Policy Mandates

The BANKSETA aligns its skills development activities to five key national strategies and plans namely, the National Skills Development Strategy(NSDS), the Strategic Integrated Projects, the National Development Plan, Government's 9-point plan and the State of the Nation Address. Sectoral Strategies are also important to skills planning. The Financial Inclusion Strategy, Regulation and the Financial Services Code, are also important strategies impacting skills planning for the banking sector. The main drivers of transformation in the financial sector have been the Financial Sector Charter(FSC) and the Broad-Based Black Economic Empowerment Act (B-BBEE).

The National Skills Development Strategy 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

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:

- Promote efficient and effective governance and administration.
- Increase access to occupationally directed programmes;
- Support career development services;
- Implement the sector skills plan by:
 - Approving workplace skills plan;
 - Establishing learning programmes;
 - Linking education and the workplace
 - Improving the level of skills in the South African workforce;
 - Skills development support for entrepreneurship and cooperative development;
 - Identify and increase production of occupations in high demand.
- The identification of priority skills in the sector through a credible skills planning process;
- The distribution of mandatory grants to qualifying registered companies;
- The distribution and management of discretionary grants that will benefit the sector at large as well as beneficiaries within the sector;
- The implementation of quality assurance processes that will enhance and ensure quality provision of training that falls within the scope of the BANKSETA;
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Plan (NSDP); and.
- Promoting transformation as guided by the NSDS equity targets of 85% black, 54% female and 4% People With Disabilities (PWDs); and
- Allocating grants in the prescribed manner to employers, education and training providers.

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 the banking and alternative banking sector.

STRATEGIC FOCUS AREAS

The BANKSETA has identified the following five strategic focus priorities to which relevant projects are implemented:

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

INSTITUTIONAL POLICIES AND STRATEGIES OVER THE TEN YEAR PLANNING PERIOD (2020-2030)

The BANKSETA's implementation will be guided by the following policies and strategies:

- National Development Plan
- National Skills Development Plan
- National Skills Accord

SECTOR SKILLS PLAN FOCUS AREAS

The functions of the BANKSETA under the Skills Development Act as outlined in its Constitution include the following:

- Develop a sector skills plan within the framework of the National Skills Development Plan for the BANKSETA;
- Implement the sector skills plan by:
 - o approving workplace skills plans;
 - o establishing learning programmes;
 - o allocating grants in the prescribed manner to employers, education and training providers and employees; and

- o monitoring education and training in the sector.
- Promote workplace-based learning by:
 - o identifying workplaces for practical work experience;
 - o support the development of learning materials;
 - o improving the facilitation of learning; and
 - o assisting in the conclusion of learning programme agreements.
- Disburse the skills development levies in the banking and alternative banking sector in terms of the Act and the Skills Development Levies Act;
- Liaise with the National Skills Authority as well as other SETAs
- Report to the Director-General on the implementation of its sector skills plan and its income and expenditure;
- Liaise with employment services of the Department of Labour and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market.
- Appoint office bearers and staff necessary for the performance of its functions;
- Facilitate the involvement of the relevant government departments in the activities of the Authority to:
 - o address the competency requirements for social delivery;
 - o address the learning needs of the most vulnerable segments of the sector;
 - o promote training SMEs to enable them to qualify for public contracts.
- Perform any other duties imposed by the Act or any other function not specifically mentioned, to fulfil the objectives of the BANKSETA and the Act;
- Notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being:
 - o to develop the skills of the South African workforce;
 - o to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
 - o to encourage employers:
 - to use the workplace as an active learning environment;
 - to provide employees with opportunities to acquire new skills;
 - to provide opportunities for new entrants to the labour market to gain work experience;
 - to improve the prospects of persons previously disadvantaged by discrimination and to redress those advantages through training and education; to ensure the quality of education and training in and for the workplace;
 - to provide and regulate employment services;
 - to provide opportunities for new entrants to the labour market to gain work experience; and to encourage workers to participate in learning programmes and other training programmes;
- to assist:
 - o work-seekers to find work;
 - o retrenched workers to re-enter the labour market;
 - o employers to find qualified employees.
- to forge links with stakeholders and bodies in the banking sector;
- account for the effective and efficient use of public monies received from levies collected from employers, in line with the provisions of the Public Finance Management Act; and
- Report to the Minister through the Director-General of the Department on matters related to the BANKSETA.

ANNUAL PERFORMANCE PLAN (APP) FOCUS AREAS

The APP presents four programmes through which the BANKSETA will deliver interventions against and these are:

- Administration
- Skills Planning
- Learning Programmes
- Quality Management

The programmes have within them measurable indicators and targets in response to the achievement of goals within the National Skills Development Plan as well as the sector skills needs as outlined in the SSP and the SP. It also provides the baselines from previous years to use as measurements for programme success. The targets set in each of the programmes are against budget allocations

FUTURE OUTLOOK

In response to the current and future challenges, BANKSETA has designed and developed a range of training courses for skills programmes aligned to the needs of the financial services sector and building a pool of entrepreneurs. This is made available to all stakeholders in and outside of the sector. Research and engagement with both the sector and the union (SASBO) is ongoing to ensure that bank workers are reskilled or upskilled to meet the demands of the new world of work.

ORGANISATIONAL STRUCTURE

EXECUTIVE MANAGEMENT



Acting Chief Executive Officer
Mr. Lefaso Motsoeneng



Chief Financial Officer
Ms. Beaula Dziruni



Company Secretary
Ms. Tlholo Mojapelo



General Manager - Operations
Ms. Christine Fritz



General Manager - Corporate Services
Ms. Dimakatso Seete

DEPARTMENTAL MANAGEMENT



Manager
Quality Management
Ms. Charmaine Janisch



Acting Manager
Supply Chain Management
Mr. Rapula Sathekge



Manager
Marketing and Communications
Ms. Busisiwe Lubisi



Regional Manager
Eastern Cape
Ms. Nobuzwe Mangcu



Manager
Work Integrated
Learning & Bursaries
Mr. Similo Dlamini



Regional Office Manager
Limpopo
Ms. Elelwani Netshituni



Manager
Project Management
Mr. Brian Dhlwayo



Manager
Finance
Ms. Tendai Sithole



Manager
Skills Development
Ms. Madeleine Pelzer



Manager
Internal Audit
Mr. Rashaad Shamsoomdeen



Manager
Research
Mr. Vuyani Ntanjana



Manager
Human Resources
Mr. Lefaso Motsoeneng



Manager
Alternative Banking
Mr. Shaun Starr



Manager
Information Technology
Mr. Robert Hill



OPERATIONAL OVERVIEW

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, and 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's Research Partners. The SSP research identifies skills gaps and skills mismatches and brings about the training needs to address the scarce and critical skills shortages within the banking and alternative banking sector.

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

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 standardised 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 digitalisation and technology as part of the 4IR research.

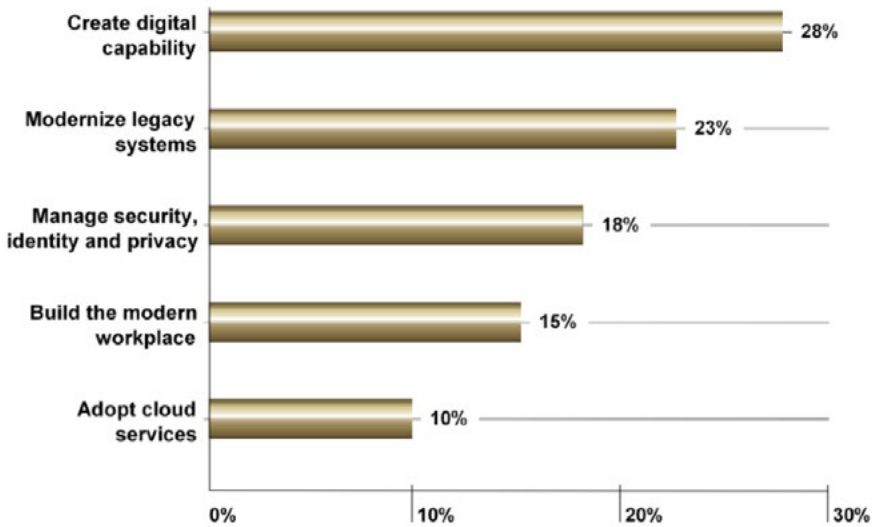
All the above Research Partner Research projects have been implemented successfully with quality research reports available on the BANKSETA website.

The banking and alternative banking sector and Department of Higher Education and Training (DHET) value the research conducted by BANKSETA as it is accurate and addresses sector needs and informs the policy decisions of the DHET. For instance, in 2019, our SSP research found that the drivers of change in the banking and alternative banking sector are as follows:

- Digitalisation;
- Technology;
- Changing customer expectations;
- Regulatory changes;
- Risk and cybercrime;
- Disruptor in banking; and
- Political, economic and societal shifts.

These factors influence the ways in which the DHET plans and implements the post-school education system in South Africa. The PIVOTAL List reflects the occupations that are geared to dominate the banking and micro-finance sector in the near future. The BANKSETA's 2019/20 SSP research also provided findings on the most important technology that each organisation is building. Figure 12 reflects different levels of technology in order of their importance.

Figure 12: Most important technology area to the organisation



Source: *ICT Enterprise Insights 2018/19 – Financial Services & Payments: ICT Drivers and Technology Priorities of corporate banks, retail banks, payments, and financial market firms, Ovum.*

Judging by the above research findings, it is clear that a future banker will have to be highly skilled with digitalisation and technology being the most required skills.

In 2020, the BANKSETA will include the following topics as part of the BANKSETA's Research Agenda:

- Is access to capital a major impediment for the microfinance sector's capability to digitalise?
- Is the banking and microfinance sector well-equipped to protect itself and offer clients comprehensive high-level cyber-security solutions?

The Department is also busy with tracing and tracking and impact assessment studies as part of assessing and measuring effectiveness of BANKSETA programmes and organizational performance.

The BANKSETA research feeds into the research of the DHET 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 conducting more cutting-edge research on the 4IR in order to address the needs of the sector; national priorities that are informed by the National Development Plan in order to contribute to the advancement of South Africa.



SKILLS DEVELOPMENT

The Skills Development Department is mainly responsible for the implementation of Discretionary Grant projects for all the employees in the broader Banking and Alternative Banking Sector.

Further to the aforementioned obligations, the Skills Development Department also manages the Mandatory Grant process for the broader Banking and Alternative Banking Sector. This is achieved by guaranteeing that employers are equipped with information and a Management Information System platform that will assist them to successfully complete the Workplace Skills Plans and Annual Training Reports online. We have had a tremendous response in our submissions and would like to thank our employers for their submissions. We look forward to engaging with you on numerous training interventions in the coming year.

In the year under review the Skills Development Department managed five (6) projects, namely the PIVOTAL Grant Funding Window, the Reskilling Funding Window, the IT Skills Funding Window, the Doctoral and Post-Doctoral Funding Window, the International Executive Development Programme (IEDP) and Africa Expansion Project (AEP).

These courses assist employees who were not successful in placements within the organisation and wish to start their own businesses the opportunity to do so. Thereby our employees are not left unemployed.

All Funding Windows

The objective of a funding window is to allow stakeholders the flexibility to implement programmes in a way that is appropriate to their organisation. It allows flexibility in content, duration, implementation dates and training provision platforms.

Each funding window has their own Cost Structure, Eligibility Criteria, Evaluation Criteria and Allocation Criteria.

Employers could apply for funding for programmes that fall within the BANKSETA financial year (1 April 2019 – 31 March 2020) or that started in the Academic Year (1 January 2019 – 31 December 2019). Programmes applied for needed to address and/or link to skills required for occupational shortages and hard-to-fill vacancies as identified in the BANKSETA Sector Skills Plan.

PIVOTAL Grant Funding Window

PIVOTAL is an acronym for Professional, Vocational, Technical and Academic Learning Programmes leading to qualifications or part qualifications.

This programme funded the following categories for the employed in the Banking and Alternative Banking Sector:

- Learnerships
- Bursaries
- Candidacy Programmes
- Skills Programmes
- Recognition of Prior Learning Programmes

Please see below PIVOTAL Priority Areas:

Occupation Code (OFO)	Occupation	Specialization / Job
2015-251203	Developer Programmer	ICT Programmer / Applications Developer / ICT Developer Software Developer
2015-252101	Database Designer and Administrator	Database Architect / Database Analyst / Database Administrator / Data Administrator
2015-252301	Computer Network and Systems Engineer	Network Engineers / Systems Engineers
2015-251101	ICT Systems Analyst	ICT systems Designer / ICT Systems Specialist / ICT Business Systems Analyst / ICT Systems Consultant / Computer Analyst / Systems Programmer / LAN/WAN Specialists / ICT Systems Strategist / ICT Systems Architect
2015-241301	Financial Investment Advisor	Financial Consultant / Financial Planner / Financial Business Analyst / Financial Advisor/ Financial Analyst/ Investment Analyst
2015-122101	Sales and Marketing Manager	Business Development Manager / Business Support Manager
2015-241202	Investment Manager	Fund Manager / Portfolio Manager / Hedge Fund Manager
2015-421102	Bank Worker	Personal Banking Consultant / Bank Customer Services Officer / ATM Custodian / Mortgage banker / Credit Support Officer / Credit or Loan Officer
2015-242207	Compliance Officer	ICT Security Specialist / Cyber-security Specialists / Financial Markets Compliance Officer / Organisational Risk Officer / Organisational Risk Manager / Risk Compliance Officer / Organisational Development Practitioner
2015-121901	Corporate General Manager	Customer Service Manager/ Bank Manager / Sales Manager/ Sales and Marketing Manager / Corporate Services Manager / Finance Manager / Credit Manager / Information Services Manager / Office Manager / Information Technology Manager/ Contact Centre Manager / Financial Markets Business Manager / Data Management Manager / Research and Development Manager / Recruitment Manager / Contract Manager / Policy and Planning Manager/ Operations Manager

The BANKSETA received an overwhelming response in applications in 2019. To respond to the sector, the BANKSETA opened up an additional funding window early in December 2019.

Reskilling Funding Window

This specific funding window is open to all employees whose roles have been impacted by restructuring or retrenchment. Due to the nature of the programme, it does not have a closing date like any of the other funding windows. The Reskilling programme has benefitted a lot of employees in the Banking Sector and aims to assist employers to reskill themselves for another job role within the current organisation or upskill themselves for a second chance career.

The most interesting courses that have come through this project have been Leadership Essentials, Reskilling for the 21st Century, Leading in the Digital Age, Strategic Leadership Programme, Creative Consciousness Corporate Coach. These courses tied in beautifully with the focus on leadership within the Banking Sector. Recognition of Prior Learning for Risk Employees connects with cyber security, which is another key focus area within the Banking and Alternative Banking sector. It remains a programme that adds value to a Sector that has faced a lot of challenges and changes over the past year.

IT Skills Funding Window

This funding window was directed at employees who desire to do a short course in an IT related field that is not NQF or SAQA aligned. An assessment component is required for this programme. This is a very popular programme for employees; a quick-turnaround programme that is so desperately needed in a more technologically advanced sector.

Just to mention a few highlights of courses that have come through the IT Skills Funding Window in the year under review. The programmes below link up with the current drive towards digitisation in the sector:

Design Patterns, Advanced Programming (JAVA), Certified Scrum Master, Digitisation in Financial Services, Agile Project Management, Coaching Agile Teams, TOGAF Foundation, ISTQB, Coding, PMI Agile Training, Lean IT, Cyber Security, to name a few.

Doctoral and Post-Doctoral Funding Window

This programme is focused on employed or unemployed people who wish to obtain their Doctoral and Post-Doctoral qualifications. Research needs to be focused on the Banking Sector.

Interesting research was done on Information Technology, Economics, Industrial Systems, Population Studies, Education, Public and Development Management as well as Applied Mathematics.

Africa Expansion Programme

This Programme was designed to increase the employees' business and leadership capabilities to further expand their mind-set with regards to business on the continent.

The Africa Expansion Programme is highly targeted with the specific aim of providing the local South African banks with an opportunity to create a high-level talent pool of individuals to be able to head the establishment of a new bank in any African country and enable the transfer of knowledge and skills.

Block deliveries took place in the following countries and covered banking and commercial sectors in the country based on the ten Leadership themes. Each Block was for five days and delegates were exposed to subject matter experts, immersive activities and cultural experiences.

- Block 1: East Africa: Egypt
- Block 2: West Africa: Morocco
- Block 3: Central Africa: Angola
- Block 4: South Africa: Gauteng

The programme culminated in an International Banking Symposium. The speakers at this conference were the 20 delegates on the programme, and the topics related to the learnings gained on the leadership themes.

International Executive Development Programme

The International Executive Development Programme was intended to be implemented in 2019/2020. Unfortunately, the bid process led to a non-award and this resulted in a non-start. The programme will not run in its current form again.

Keep a watchful eye, as there is a new intervention that will take its place, namely the Leadership Development Programme.

The Skills Development Department will in future implement projects based on the approved Business Plan and respond diligently to COVID-19 related operational challenges. All training and education programmes have been disrupted and training providers must advance their offerings by introducing more online platforms, different e-learning options and blended learning training interventions. Additionally, workplace learning for learnerships remains a challenge and the Department is continually implementing alleviatory measures to help fulfil set targets.



YOUTH DEVELOPMENT

The Youth Development Department offers learnerships, internships and skills developments programmes for unemployed youth. The Department oversees the implementation of these skills programmes with the aim to bridge the skills gap and improve the employability of the youth so that they can contribute positively to the economy's growth. Despite facing several challenges, the Department performed well. Under the 2019 Professional, Vocational, Technical and Academic Learning (PIVOTAL) funding window, a total of 60 projects were undertaken and 44 of those programmes were already reported on within the 2019/20 Financial Year.

In addition to managing the PIVOTAL projects and the 12-month long Letsema and Kuyasa Learnership programmes for post-matriculants and postgraduate students, the Department introduced the Cyber-Security internship pilot project. Some 44 of the 60 PIVOTAL funded programmes were implemented successfully. The remaining 16 PIVOTAL programmes are underway with slightly delayed start dates due to recruitment processes that had to be finalised. The Letsema and Kuyasa programmes were completed successfully and the cyber security programme is still underway.

However, the PIVOTAL targets for Learnership and Internship programmes were not met, mainly due to under-utilisation of funds, as applications did not meet the evaluation criteria to access the funds. In addition to the said conditions, once funding has been approved, certain criteria also have to be adhered to in terms of learner documentation in order to access the funds. To mitigate the challenges encountered by stakeholders in accessing funds, the BANKSETA offers ongoing assistance and also conducts annual briefing sessions for all stakeholders to contextualise and explain these requirements to stakeholders. These supportive interventions are implemented to capacitate stakeholders in terms of the PIVOTAL project and minimise shortfalls in future projects.

Additionally, a fair number of stakeholders who applied for projects that do not necessarily fall under our priority skills exacerbated the Department's target deficits. The latter are the major reasons why the Department ended up underutilising allocated funds and not meeting the set PIVOTAL targets. Nonetheless, in instances where the shortfall was identified timeously, a second funding window was opened to utilise the remaining funds.

Furthermore, due to the COVID-19 pandemic, which set in early March, placement rates were low and slow and employers were unable to take in as many learners as they normally do. With 206 learners, the Kuyasa programme managed a 32% placement rate. While the Letsema programme, with 377 learners, achieved a placement rate of 26%. The average placement rate was roughly 30%. Nonetheless, that is expected to rise after the lockdown ends, as the annual placement is normally about 60%. The Department also placed 111 interns with African Bank. They successfully completed their internships and are all employed by African Bank. That is one of the highlights for the Pivotal programme.

The Department's strategic interventions follow consultative approaches with stakeholders. This allows interventions to be tailored according to the specific business needs of the sector. The interventions are therefore constantly reviewed through sector engagement and changes are implemented as and when required. The BANKSETA acknowledges that the business environment is generally very dynamic hence the subsequent need to make critical and timely solution-based improvements.

The Letsema and Kuyasa programmes contributed positively to the reduction of the unemployment rate by achieving a placement rate that is above 60% in the previous years. As high unemployment among the youth remains a challenge for the skills development sector, the BANKSETA's youth programmes were geared towards upskilling youths with new, relevant and sought-after skills.

The Cyber Security Internship project is the latest project introduced by the BANKSETA to respond to developing critical skills for the 4th industrial revolution challenge and easing youth unemployment. The project is currently underway and the BANKSETA envisages that learner absorption for those learners placed in different workplaces will be quite high because of skills shortages in the IT security sector.

The Cyber Security Internship programme is being implemented for 100 graduate learners in Gauteng as a pilot programme. The programme focuses on a 4-month training component and 8 months of work experience at host organisations. The learners are participating in a skills development programme relating to cyber-attacks and understanding the hacking mentality so as to build more effective defence mechanisms. The theoretical component of the internship was implemented successfully, but placing the learners at workplaces remained a challenging task. Cyber security is a sensitive area and not many employers are able to host learners for a short period of time in such a high-risk environment. The COVID-19 pandemic has compounded that work placement challenge and learners have had to commence e-learning programmes.

Wary of the fact that employers might not be able to absorb all learners, the Department intends to establish simulation programmes for the learners. This is to ensure that learners receive some practical experience to complement their theoretical studies. Additionally, the Department is phasing out old projects that were run under the Kuyasa and Letsema programmes. Through a consultative process with host banks, the Department is looking at introducing new projects that will actually meet their business needs and improve implementation rates. This will include introducing learning disciplines such as robotics, robotic process automation and digital marketing; offerings that will fulfil the emerging needs of the banking and the alternative-banking sector. To this end, information on the new projects should be finalised by November 2020.

Similarly, for the Cyber Security programme, the PIVOTAL grant funding had a substantial impact on upskilling unemployed youth. Since January 2014, the BANKSETA has funded 7148 unemployed learners through the PIVOTAL project. This funding has increased the learners' employability. With 3867 successfully completed learners to date, the Department is proud to report an overall successful completion rate of 71% (this percentage excludes 2018 and 2019 funded learners).

Although the demand for learnerships and programmes was high, the recruitment of learners with disabilities was a challenge, as was the ability of the host banks to accommodate and retain learners with disabilities. The host banks have a limited capacity to host learners for learnerships and this poses a challenge to the successful completion of learnerships. To resolve such operational challenges, the BANKSETA is focused on approving applications after host employers have made a commitment to accommodate the workplace experience of the learners.

Be that as it may, the BANKSETA's programmes are demonstrating considerable success. The Department's post-programme tracking initiatives in the 2019/20 year indicated that the employment rate on the 2017 PIVOTAL project stood at 51%, and the 2018 funding window at a remarkable 78%. (It is important to note that these funding windows are still pending closeout and the final numbers may be different.) The Letsema and Kuyasa programmes have however maintained over 60% placement rates in the past few years. To maintain the successes achieved by the Letsema and Kuyasa programmes, the BANKSETA is engaging with the Banking and Alternative Banking Sector to look at improved ways of rolling out the programme. So more qualification streams might be added onto the programmes to ensure that the programme responds to the business needs better.

Going forward, the Department is looking closely at the qualification streams and their implementation models. Stakeholders have been engaged and plans to develop a new model that the BANKSETA can use to implement these projects are in progress. The Department will react proactively to the various challenges unearthed by the COVID-19 pandemic to safeguard youth development programmes.

IMPACT ON YOUTH DEVELOPMENT INTERVENTIONS

First and foremost, I would like to thank God for His never-ending grace, mercy and provision during one of the toughest times in my life.

I participated in the Kuyasa Learnership Programme during 2019 and today, 24 March 2020, is exactly a year since I participated in the programme. It was a great experience, and I remember the day I signed my first employment contract, like it was yesterday.

During the Learnership Programme, I was exposed to many elements that have helped me figure out who I am. It changed everything. It showed me that I have value to add, a strong voice and that my passions hold significance for me and the people in my life. If I had to summarise my journey with the BANKSETA; continuous growth. Not just growth in my career but also on a personal and academic level. During the Learnership Programme I discovered a lot about myself, including trials and tribulations, but I overcame all that!

The Programme was relevant to me as the modules offered were similar to the courses I completed with my BTech in Internal Auditing.



MS. PALESA GAMEDE

I graduated the Kuyasa Learnership Programme Cum Laude, and scored myself a contract with First National Bank!

Lives of individuals are gradually changing because of this learnership. Not only does it give you employment experience, but also a once-in-a-lifetime chance to study.

Kudos to you, BANKSETA!



WORK-INTEGRATED LEARNING AND BURSARIES

BANKSETA employs a multi-pronged approach on the Work Integrated Learning (WIL) and provides funding for bursaries. The BANKSETA currently engages with public institutions of learning to build capacity, thereby promoting access and reach. Each of the strategic relationships built with the public TVET colleges, universities and Universities of Technology is designed in such a manner to either improve how the institution responds to the needs of the broader Banking and Alternative Banking Sector, through Lecturer support; developing scarce and critical skills for occupations that are in short supply in the sector, through bursary support; and bringing demand (industry/ employers) for skills closer to the supply (current workers / new entrants into the economy) of skills by addressing better use of work-based skills development. The BANKSETA funds bursaries through partnership agreements with universities. The support is holistic (covering tuition, textbooks and accommodation, on or off-campus, depending on what has been arranged the University). Each institution uses its pre-determined entry criteria to identify learners to nominate for Merit Bursaries. The BANKSETA's Merit Bursaries are renewable annually and are dependent on the student's academic progress.

The focus areas funded by BANKSETA are the following:

- Actuarial Science (Accounting)
- Bachelor of Science (IT)
- Bachelor of Commerce (IT)
- Bachelor of Commerce (Finance, Economics, Financial Markets or Financial Modelling streams)
- Bachelor of Commerce (Accounting)

These focus areas are aligned to the scarce and critical skills in the sector and the funding of bursaries will seek to address the shortage thereof.

The Work-integrated Learning and Bursaries Department has implemented on the following projects in the 2019-20 financial year:

- The Higher Education Funding Window (Bursary Scheme)
- Work-integrated Learning Programmes (TVET colleges)
- Alternative Delivery Methodology (ADM) Programme for universities
- Work-integrated Learning Programme (UoTs)
- ICT work-readiness Programme
- NSFAS Bursary Settlements Project

The bursary programmes were implemented successfully in that, the target was to enrol 900 learners for the financial year, and this was exceeded by 134 learners who benefited from the Programme. Also the Work-integrated Learning Programme for the TVET colleges target was exceeded by 250 learners that benefited from the Programme, while the target was 766, we achieved a total of 873 learners entered for the financial year. The TVET partnerships were also a resounding success in that, the overall target was to establish and formalise 10 partnerships with 10 TVET colleges, but the target was exceeded by 9 partnerships. Furthermore, we had a target of 13 University partnerships, but the Project realised an over achievement of 16 university partnerships. Lastly, we were tasked with assisting 50 university lecturers with bursaries. This target was over achieved by offering learning bursaries to 70 more lecturers than originally planned, so the total number of lecturers assisted was 130. It has to be said that, unfortunately, there were some targets that could not be achieved which will only be actioned in the next financial year.

Some interventions that could have been implemented differently to ensure the success of the project or to manage challenges experienced meant that we needed to have optimised our project implementation team in order to better deliver our programmes. For example, we could not achieve the skills programmes target due to our inability to procure a suitable provider to deliver the programme within the said financial year.

The WIL and Bursaries Department has strategic partnerships with institutions of higher learning and a long standing partnership with the National Student Financial Aid Scheme. The partnership follows a two pro-pronged approach, firstly, BANKSETA funds undergraduate students who are currently studying what is relevant to the BANKSETA's gazetted scope under the Act and confirmed by BANKSETA's scarce and critical skills list and which disciplines are (but not limited to); (A) Accounting; (B) Actuarial Science; (C) Specialist Financial and/or Economic Skills; (d) Information Technology and (e) Teachers in Maths and Accounting. The second approach involves BANKSETA funding historical debts of students who have completed their qualifications and are ready to access employment opportunities in the labour markets but are unable to because they have not graduated. The BANKSETA assists these graduates by settling their outstanding academic debts, thus giving them an opportunity to graduate.

With digitisation being at the forefront of today's discussions, whereby workplace skills requirements are concerned, the BANKSETA is in the process of implementing two Digitalisation Graduate Internship programmes to provide unemployed ICT graduates with different entry levels into the world-of-work, by offering them an opportunity to gain practical skills in the Banking and Alternative Banking Sector. These programmes are aimed specifically at unemployed graduates with an aptitude for digitalisation so that they may obtain a relevant qualification plus experience in the world-of-work and thus increase their chances of being employed in the banking sector. The structures of the programmes incorporate contact sessions as well experiential work-based training at various BANKSETA registered host employers both broader banking and alternative banking sector.

The focus is on digitalisation as a driver of scarce and critical skills for the broader banking sector. With a niche emphasis on systems development and systems support as well as other relevant skills. The overarching objective is job creation through a work readiness graduate internship programme. The Digitalisation programme responds to the following Strategic Priorities:

- BANKSETA skills priority areas-technology, digitalisation and analytics (Big data, Robotics & Innovation)
- The Fourth Industrial Revolution (4IR) and the future of work in our sector
- DHET/NSDS - modelling future demand of skills in South Africa
- Job-Summit Framework Agreement - (Presidential call to social partners (business, labour and communities) to intervene in creating gainful employment opportunities for the unemployed youth, especially unemployed or under-employed graduates through for example, the YES Campaign etc.

The type of skills the programmes will focus on are, among others, big data analytics, cloud computing, artificial intelligence & machine learning and data mining, Information technology (systems support) as well as information technology (systems development). The BANKSETA is cognisant of the evolving workplace environment in our sector, hence we are introducing programmes that are responsive to the current workplace.

As today's working environment requires expertise in information technology, the BANKSETA in partnership with Masithuthuke Holdings (Pty) Ltd implemented a Work-readiness Programme in Information Technology. This programme contributed to the National Skills Development Strategy target for unemployed youth and assisted them in entering the formal labour market. The project provided an opportunity for 250 unemployed graduates to obtain the below top-up IT Skills Programme.

Systems Support NQF-Level 5

The Programme was implemented over a 10-month period from March 2019 to December 2019. The training programme covered essential skills that are required in the workplace as well as the skills required in order to become employed. Learners that completed the Systems Support training, attended theoretical training sessions for four months in Johannesburg, Durban and Cape Town and were placed at host companies for six months to obtain experiential learning. Learners who completed this qualification obtained 60 credits towards the Systems Support NQF-Level 5 National Certificate. The Project objectives were to have successful candidates absorbed into full time employment for the duration of the Programme and beyond in the banking sector or other sectors or to start their own businesses.

CHANGING LIVES THROUGH THE ICT WORK-READINESS PROGRAMME

Masomelele Nongadlela grew up in the Western Cape in a small town called Saldanha Bay. From an informal settlement, once he graduated, he found it very tough to enter the job market.

"I did my basic education in a local school and went on to further my studies at the Walter Sisulu University (WSU) in the Eastern Cape where I studied for a National Diploma in Information Technology.

In 2017, I started job hunting and it was not an easy process. I only would be employed for short-term contracts but in 2018 a friend of mine in the Internship Programme at Masithuthuke Holdings recommended that I should apply for their 2019 intake.

I got accepted and that was the beginning of greater things. The three-month Internship Programme funded by BANKSETA covered many aspects including theory, problem solving and real-life examples which enabled me to be ready for the working environment. I was



MR. MASOMELELE EDMORE NONGADLELA

further assisted with placement at the Walter Sisulu University to gain invaluable experience and exposure in the IT environment.

Throughout this period, BANKSETA and Masithuthuke Holdings supported and monitored my progress at my host employer. They gave me a fighting chance and I will always be grateful for that. This Internship Programme made me more competitive and allowed me to secure permanent employment after a struggle. I am currently a Lab Technician at WSU."



ALTERNATIVE BANKING

The Alternative Banking Department provides skills development support for small employers, rural communities, cooperatives and stokvels. In the year under review, the department worked mainly on four projects: The SME Support Programme, the Cooperative Development Project, the Rural Development Project, and the Entrepreneurship Development Project.

The SME Support programme provided funding for skills development for small employers that are registered with the BANKSETA. This assistance was facilitated through the SME funding window. SMEs could apply for funding for training interventions that would provide the necessary skills to their respective businesses. Training initiatives that were supported align to the scarce and critical skills imperatives within the sector and interventions that would assist the employer to grow their businesses.

That support was however framed by clearly defined parameters and the programme received far more applications in comparison to others. However, at the end of the programme, the actual enterprise should have become an improved business. It should be an enterprise that has visibly grown through the skills development interventions that they had applied for. That is why the SME Development programme is a really significant project and has the largest budget of all the projects managed by the Alternative Banking Department. Last year, it had a budget of R5 million, but the Department received up to about R40 million worth of applications for funding during that funding window.

The second project that the Department worked on was the Co-operative Development Project. It was implemented in a partnership with the Co-operative Banks Development Agency (CBDA), which is basically an extension arm of the National Treasury Department. Since our mandate is defined by skills development legislation, the BANKSETA funded the CBDA to the value of about R4 million. The CBDA regulates 32 registered CFIs and two co-operative banks, Orania and Ditsobotla Primary Savings Co-operative Bank. Thus, the BANKSETA helped to provide skills development support for the board officials and members of the said institutions.

This was not a straightforward task nonetheless, as the CFIs have a firm Board turnaround strategy and rotate boards every two years. As such, developing capacity is always going to be problematic for CFIs. The BANKSETA provided support for both the Board officials and the members of the CFIs to foster continuity and help the CBDA achieve its mandate. Regardless of the challenges, the Cooperative Development Project has evolved into a sustainable project over the last five years and last year the BANKSETA signed the partnership agreement for the following financial year after obtaining Board approval.

In addition to the CBDA partnership, the BANKSETA rendered assistance to stokvels that are registered as CFIs. These registered entities form part of the BANKSETA levy base and submit Workplace Skills Plans on an annual basis. These employers are entitled to apply for funding support in the SME funding window. The BANKSETA also forms part of the CFI Forum which is housed at the Department of Economic Development where CFIs and stokvels have a voice. This platform is beneficial for the BANKSETA to gather information and statistics of this largely unregulated sector.

The Department's third project was the Rural Development Project. It focused on providing skills development support to financial institutions based in the rural areas through nationwide financial literacy workshops for 1500 beneficiaries. While the Department usually exceeds that target number, it remains the reference point for what has become a very successful project. In the year under review, the Rural Development Project was implemented in all nine provinces and in rural communities as defined by the Demarcation Board. The BANKSETA utilised rural municipalities and local municipalities as strategic conduits to access potential project beneficiaries.

The last project the Department worked on was the Entrepreneurship Development Project. It involved developing small businesses through an eight-week academic programme complemented by a six-month coaching and mentoring component. The BANKSETA established the programme for the benefit of small businesses and entrepreneurs. Crucially, the beneficiaries did not necessarily have to fall within the banking sector, as ultimately these institutions banked their monies with BANKSETA levy payers.

The BANKSETA assisted a minimum of 200 SMEs and developed many success stories within that programme. For example, a participant on the programme managed to secure a tender with our national telecom supplier following the course. A component of the academic programme focuses on the tender process and how to provide quality tenders. This success attests to the rigor of the project and value of this initiative to the beneficiaries.

Additionally, by virtue of the manner in which they operate, SMEs usually support extended families and help sponsor many different initiatives within the community. So that initiative helped uplift the lives of many people within her community and subsequently advanced our mandate. The BANKSETA understands that there is a large push from the government to develop small businesses and create employment – especially now with regards to the devastating impact of the COVID-19 epidemic. So the entrepreneurship programme is vital to fulfilling the BANKSETA's mandate.

Along with the entrepreneurship programme, the Rural Development Project also fared well. Research indicates that 18-19 million people in South Africa, living mainly in rural areas, are still unbanked. So the institutions based in the rural areas have a mandate to provide customised banking services to rural communities. Accordingly, the training programmes provided by the BANKSETA should be comprehensive, impactful and of immense benefit to rural communities.

In this regard, the Rural Development Project, which is pegged at the NQF- level 5 and can lead to a formal qualification, was very well received in the rural areas. The training took place in the rural communities where businesses are often overlooked and do not often get a chance to take part in skills development initiatives. The fact that the BANKSETA managed to establish fully-fledged training programmes and generate enormous impact is amazing. Unfortunately, because of the COVID-19 pandemic, it is difficult to say how well these businesses are currently doing. Nevertheless, when analysing everything the BANKSETA achieved with the project, it certainly made a massive impact in the year under review.

As the Rural Development Project, the Entrepreneurship Development Programme enjoyed immense success. The development of small businesses is critical to our economy's growth as the small business sector contributes about 30 percent of our GDP. If small businesses and small entrepreneurs were to grow, they would help alleviate poverty through creating additional jobs in the communities they operate in. The BANKSETA's goal is help grow small businesses and make them more sustainable. So there were quite a lot of heart-warming success stories associated with the Entrepreneurship Development Programme in the year under review.

Despite the above-mentioned achievements, the Department is focused on improving the Entrepreneurship Development Program. Instead of targeting all nine provinces, the Department intends to develop nine vulnerable communities in a holistic way. The BANKSETA seeks to develop a partnership with local government to assist communities that really are struggling. To benefit from the skills development interventions, the communities must have access to community colleges, TVET colleges or existing infrastructure that will allow the BANKSETA to offer assistance in a holistic way. In so doing, the BANKSETA would be able to measure the success of the impact of the programme.

Indeed, the needs of corporates and SMEs are so varied and vast. With the COVID-19 pandemic causing unprecedented economic upheaval, business sustainability is paramount. A lot of enterprises will go under and the Department anticipates that corporates and SMEs will strive to achieve business sustainability and enjoy employee retention. So leadership will be key to business sustainability as it is a huge matter with small businesses. The BANKSETA has a leadership programme that was not implemented in the year under review because of delays awarding a tender. It is a leadership development programme designed for leaders. As a result of the challenges faced in implementing the programme, the Department cannot provide any solid feedback on the leadership programme.

Looking ahead, the Department would like to change the way the rural development projects are implemented and focus on choosing vulnerable communities. Once communities have been identified, the BANKSETA may have to establish collaborations to actually implement the programmes. The Department would like to ensure that the project influences the most vulnerable members of society, people like the elderly, unemployed and women. Furthermore, the Department must be able to measure the impact made by Rural Development Project afterwards.

To develop meaningful change, the BANKSETA can train unemployed people and utilise them as coaches and mentors for various skills development programmes. More importantly, the Department would like to establish programmes that will leave long-lasting legacies. After stepping out of the programmes, the communities must proudly say that the BANKSETA made a profound difference in the lives of many – from the youth to the elderly. This approach will necessitate creating a holistic approach to developing these rural communities and the Department is definitely focused on changing that in next financial year.

Furthermore, the Department is adopting a proactive and dynamic approach to skills development and has forwarded a proposal to the Ministry for approval. After the COVID-19 pandemic ends, rebuilding the economy will take years. So the BANKSETA will have to change the way in which it implements the small entrepreneurship programme. The BANKSETA is keen to establish partnerships with other SETAs, the Small Enterprise Finance Agency (SEFA), the Small Enterprise Development Agency (Seda), government departments and the Ministry of Small Business Development.

The Department wants to help vulnerable groups; especially women owned businesses, because they are far more vulnerable than other businesses. These will, of course, be strategic partnerships. SEFA, for example, has invested R100 million in women-owned businesses, based in rural communities. The BANKSETA is looking at a way of partnering with SEFA, which has provided entrepreneurs with funding to buy supplies. However, without the requisite skills to make the businesses work, such entities will remain vulnerable. This is why the BANKSETA would like to add an additional layer of support for vulnerable businesses that are owned by women – more so in the current economic climate.

The COVID-19 pandemic is challenging all to think differently and reconsider how programmes will be implemented. To avoid losing the academic year altogether, the BANKSETA will have to utilise different learning methodologies and online platforms as alternative training facilities. The Department's programmes are definitely going to change as a result of the COVID-19 pandemic.

INTERNATIONAL EXECUTIVE DEVELOPMENT PROGRAMME (IEDP) IN DEVELOPMENT FINANCE

What key learnings did you take out of the Programme?

I gained both theoretical and practical knowledge from the contact sessions held at Wits Business School, the study tours and syndicate work. The study tours helped us to understand the financial inclusion landscape of different countries and our understanding was further shaped through our visits to various institutions and organisations.

What was unexpected in the Programme?

There was a mix of candidates who took part in the programme. There were a mix of senior executives from private, public and non-profit institutions (Banks, SOEs, Industry Associations, Regulators, Service Providers). This allowed the interactions to go beyond the sharing of ideas to continued interaction and working together.

Did the Programme make an impact on your life and career?

Yes it did. I am currently a Presenter of a Television Show called "KEZAKA" on SABC 2, which visits Stokvels and Burial Societies in the Free State to assist them with investing their money wisely. Once their challenge is identified, they are paired with an expert in that area who then assists them with information, advice and practical training. My knowledge of financial inclusion concepts and challenges is enabling me to look beyond the TV script and engage meaningfully with the participants and guide them whilst challenging the formal financial sector to be customer-centric.



MS. MAGAUTA MPHAHELE

Was the Programme relevant to you?

It is very relevant because I operate in the credit industry and my company, Ithuseng Credit Solutions, assists mines and mineworkers with financial challenges. The knowledge gained from the programme is helping me offer more relevant solutions aimed at improving financial inclusion. As a Board Member of Micro Finance South Africa, I am also better able to interrogate and offer solutions on how the industry can improve and enhance financial inclusion.

Was the Programme of benefit to you?

Definitely!! I felt very privileged to be part of the Programme and would like to thank the BANKSETA and Mr Shaun Starr (BANKSETA Alternative Banking Manager) for his commitment to the programme and the support he provided to the IEDP participants.



MS. VIVIAN JOYCE RATSWANA

IMPACT ON ENTREPRENEURSHIP DEVELOPMENT

When did you attend the Programme?

I became a programme beneficiary in March 2019 offered by Rudo Consulting through BANKSETA funding.

How did you benefit from the Programme?

It was such a magnificent experience as an Entrepreneur. When I registered my business in 2015, I had no knowledge of professional ethics, good communication skills, how to identify business gaps or how to handle business financials. This programme changed that and I gained the ability to detect a good versus a bad business deal as well as the compliance knowledge to help manage my business better.

How did the Programme impact your life and career?

Training was done by well qualified and experienced people. It was tailored for me as an Entrepreneur – a key learning for me, was how to stay mentally healthy and to maintain a healthy lifestyle while being self-employed.

Through mentorship and coaching, a personal Mentor got involved in the operation of our business, gave us advice and support through the challenges we faced in the running of our business. This programme definitely had a great and positive impact on my life, my career and my destiny.

Was the Programme relevant to you?

It was highly relevant and aligned to our type of business and matched my academic record and experience.

Do you believe BANKSETA is making a difference to Executives by providing such a Programme?

I would like to commend BANKSETA and every person who was involved in the tailoring of such a wonderful programme. I truly and honestly believe that it served as a baton to success for every candidate who had an opportunity to become part of it. All of this effort was not in vain and should make BANKSETA executives very proud of the team who made this programme happen.

ROTATION ON 07-07-20770

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BALANCE-SPEED

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QUALITY MANAGEMENT



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QUALITY MANAGEMENT

The Quality Management Department is mandated to confirm that quality standards are fully adhered to in all BANKSETA programmes and qualifications. The Department's responsibility includes the accreditation of training providers according to the South African Qualifications Authority (SAQA) and Quality Council of Trades and Occupations (QCTO) quality criteria, the maintenance of the legacy qualifications, the registration of skills programmes, the registration of assessors and moderators, the conducting of external moderations, the certification of learners, the development of occupational qualifications and capacity building and support of new Skills Development Providers.

In the year under review, the Department issued 6616 certificates and accredited 14 new providers. Currently, 80% of BANKSETA's existing providers have been re-accredited until 2023. This is the year when all the legacy qualifications will be deregistered.

Over and above certifying providers and issuing certificates the Department embarked on the General Management project in the 2019/2020 financial year. It is based on the General Management qualification that will provide people with management experience in different aspects of banking. The department designed it and rolled it out to different colleges. Through their accreditation with the BANKSETA, the following colleges were able to implement the Generic Management qualification and obtain bursaries for learners: South West College, Ekurhuleni, Capricorn, Cape Peninsula University of Technology, and Motheo.

The project had been going according to plan, until the COVID-19 lockdown began on March 27. Consequently, the Department has had to reschedule some dates and once again consider adopting an online learning option, especially because of the COVID-19 pandemic. Under an e-learning facility, learners are given an opportunity to work from home and the training provider manages everything. While the BANKSETA has access to the learning platform and can monitor how the provider has trained the learners and lent them support.

So the Department is establishing e-assessment and allowing training providers to deliver online assessments. The Department monitors such assessments because the providers now give the BANKSETA access to their systems and that comes with the responsibility of upholding confidentiality. This is just one of many new developments established by the Department in response to a rapid evolving commercial and technology landscape. To satisfy the banking and alternative-finance sector's embryonic human capital requirements, new skills and occupational qualifications are constantly required. As a result of cyber fraud becoming a widespread challenge, the banks indicated that they needed the services of an anti-money laundering analyst. This is an expert that can analyse trends and detect the perpetration of fraud in large financial institutions. To meet this pressing demand the BANKSETA and SABRIC developed the Occupational qualification for the anti-money laundering analyst and submitted it to the QCTO for registration. A Business Banker qualification has also been developed and submitted to the QCTO for registration. These are the two qualifications the Department worked on in the year under review.

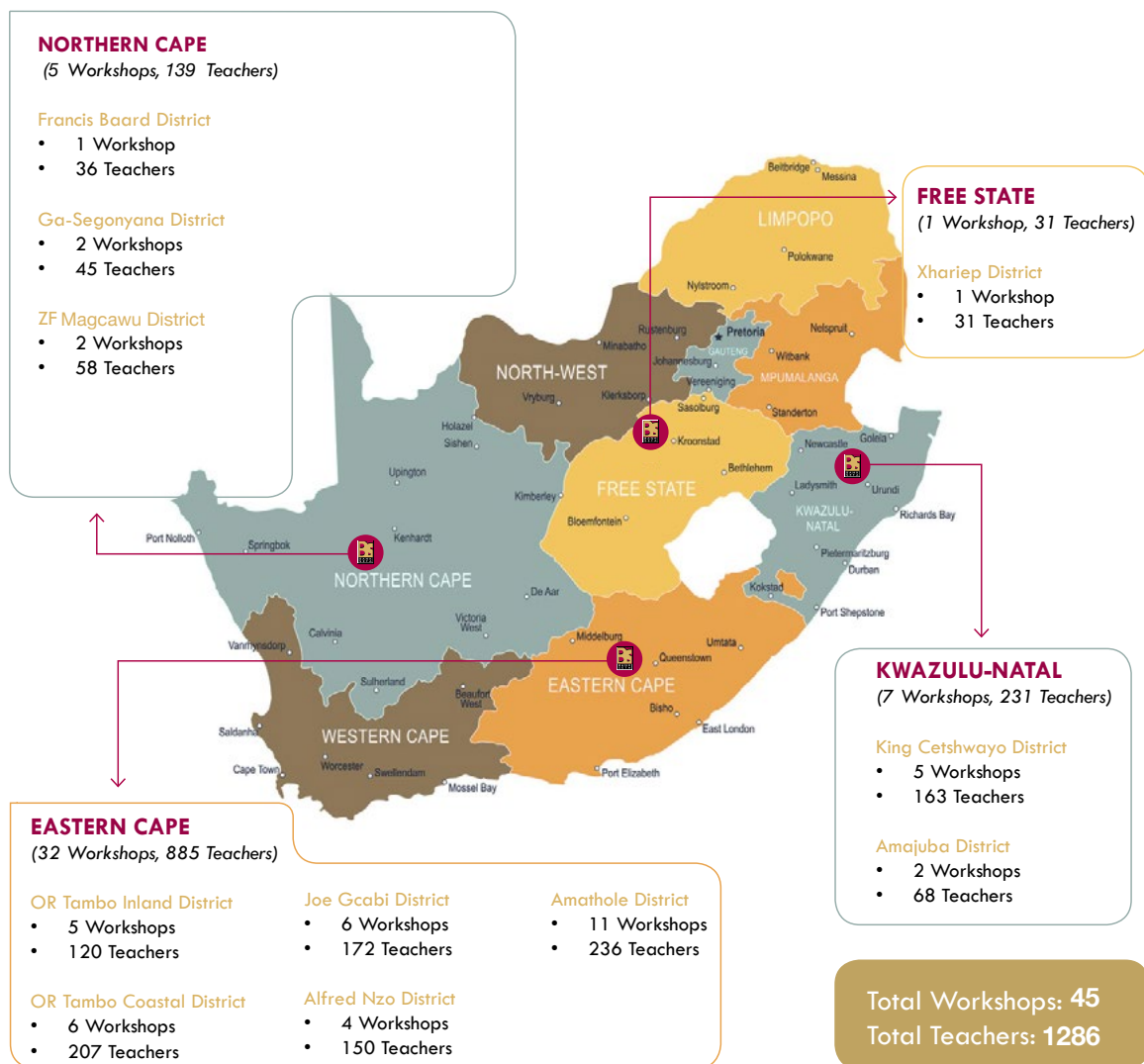
CAREER GUIDANCE TRAINING FOR LIFE ORIENTATION TEACHERS



OBJECTIVES

- Career awareness and guidance training for secondary school Life Orientation Teachers as per the BANKSETA mandate and strategic business plan
- 4.8 of the National Skills Development Strategy - (Building career and vocational guidance)
- The facilitation of 80 Career Awareness workshops to Life Orientation Teachers nationally over a period of two years (2018-2020)

OVERALL TRAINING AND PROVINCIAL REACH STATISTICS (2019-2020)



LIFE ORIENTATION TEACHERS (LOT) PROJECT

During the year under review, the Marketing and Communications Department successfully implemented various deliverables, one of which being the Career Guidance Project which comprises of information sharing on careers of the future in banking and the training of Life Orientation(LO) teachers. Fifty career awareness and training workshops were conducted in the Eastern Cape, KwaZulu-Natal, the Free State and Eastern Cape with an over-achievement of 50/40 workshops and 1411/500 teachers trained. The workshops focused on career categories and study fields, higher education, funding, scarce skills, and learnerships.

The workshops were arranged in partnership with the Department of Basic Education, with the purpose of equipping teachers with the necessary skills and tools to assist learners in making well-informed career and higher education choices.

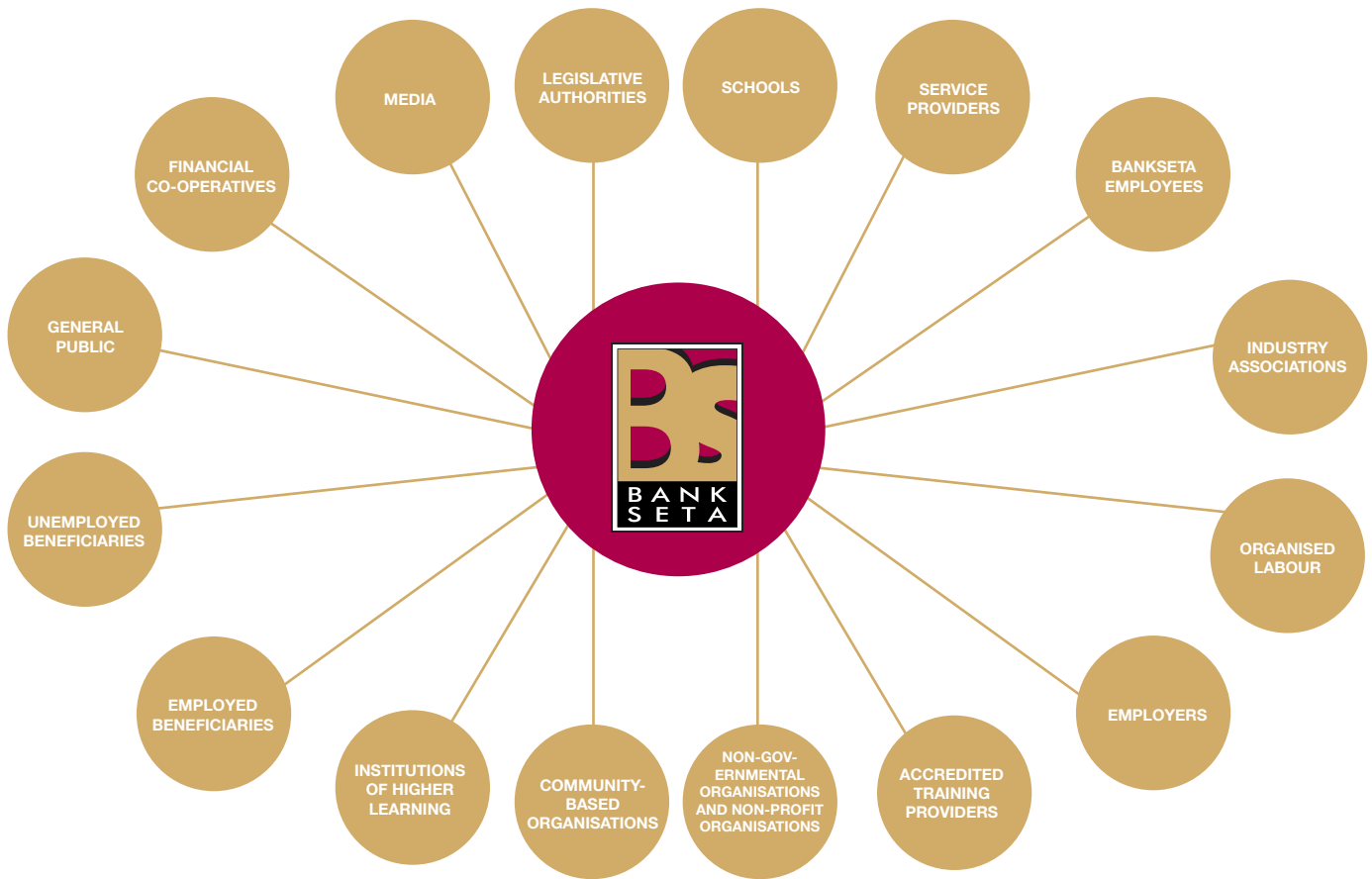
Zolani Nkamisa, Tyali, a Secondary school Teacher, stated that the workshop provided him with information relating to the Fourth Industrial Revolution and careers of the future, SETAs and their importance, and the development and funding opportunities within the BANKSETA. Teachers who attended these workshops and their representative schools received careers booklets and life orientation and career guidance training material which they appreciated and described as useful.

"Amongst some of the key takeaways, they encouraged us to advise learners who are not academically talented but have the skills, to enrol in TVET colleges to develop the skills required in the labour market" emphasised Mr Nkamisa.

"There's no doubt that after attending this workshop, I will contribute positively towards our learners' future, I will help them identify their interests and abilities," said Toko Sidondi, an LO Teacher from Butterworth High School.

Sidondi further explained that this workshop was fruitful, as their learners are based in the deep side of the rural areas, therefore they are not exposed to a lot of careers. "Even myself, there were careers I did not know about until now, this workshop exposed me to the opportunities out there and we were encouraged to equip our learners with the necessary skills to acquire those opportunities." She also mentioned that the BANKSETA advised her to encourage the learners to pursue entrepreneurship in order to create employment and contribute towards the economy of the country.

OUR STAKEHOLDERS



STAKEHOLDER ENGAGEMENT

Nurturing the relationships that the BANKSETA has with its significant stakeholders is a strategic priority and a key driver of success that informs business strategy and enables the SETA to improve the impact of its activities on stakeholders with whom it engages.

BANKSETA proactively engages with stakeholder groups and has an ongoing commitment to work closely with stakeholders, to learn from past engagement experiences and continue to improve and respond to social expectations.

Stakeholder Engagement Objectives:

- The identification of stakeholder groupings and sub-groupings;
- The identification and review of the current methods of engagement;
- The identification of the stakeholder engagement gaps across the business;
- To develop innovative methods of stakeholder engagement (Informed by the stakeholder analysis done by the entire business); and,
- To assess and monitor the implementation plan.

Collaborative Efforts with Banking Sector industry partners

The BANKSETA established and sustained strategic engagements with key industry partners in the private and public sectors such as the Banking Association South Africa, Business Unity South Africa, the Co-operative Banks Development Agency and many others over and above its strategic collaborative partnerships with government agencies, Higher Education Institutions and SETAs.

Advertising and Media Relations

Key messages were communicated through publicity campaigns on the BANKSETA website, social media, newsflashes, corporate publications and email branding campaigns. Advertising through print media was not implemented due to internal administrative issues, however stakeholder reach through social media and email branding was impressive and monitoring and evaluation of reach was done through analytical reports of the website and social media communication.

Public Relations and Events Management

The SETA collaborated with industry bodies in the education, finance and research industries. There were collaborations with other SETAs, non-governmental organisations and libraries. These collaborations comprised of events such as conferences, meetings, exhibitions and the distribution of career booklets and scarce and critical skills and Fourth Industrial Revolution Bankers Of The Future DVDs.

BUSINESS OPERATIONS DURING COVID-19 LOCKDOWN

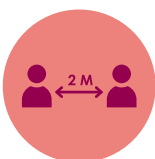
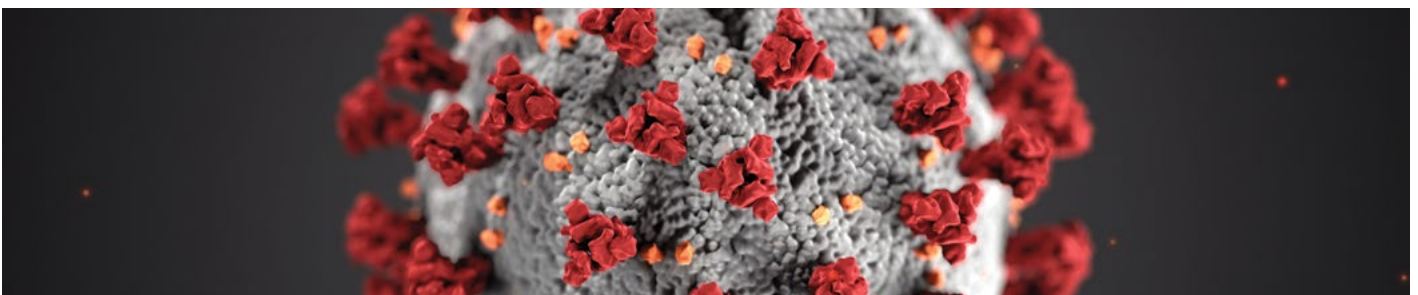
The World Health Organisation (WHO) announced the COVID-19 outbreak as a pandemic on 11 March 2020. Coronaviruses (CoV) are a large family of viruses that cause illnesses ranging from the common cold to more severe diseases. A novel coronavirus (nCoV) was identified on 7 January 2020 and was temporarily named "2019-nCoV". It was subsequently named the "COVID-19 virus". The recent events experienced by the world has deeply disrupted how we, as humanity, business, social and economic structures, operate. The events have left us questioning whether COVID-19 will have a lasting impact on economic, social and political environments. What is undeniable is that a crisis of this scale can re-order society in dramatic ways. Since the Honourable President, Mr Cyril Ramaphosa, declared the Coronavirus pandemic to be a national disaster on 15 March 2020, the BANKSETA has heeded the call by the president and that of the Honourable Minister of Higher Education and training, Dr Nzimande, for a national lockdown. Although there were disruptions to normal business processes, the BANKSETA team has implemented communication campaigns with the objective of informing stakeholders about continued business operations.

The COVID-19 epidemic presents substantial threats to job security. The BANKSETA's economic viability in the foreseeable future is also threatened. In as much as BANKSETA operations continue, the organisation's management recognise the impact that the COVID-19 pandemic and the resultant lockdown have exacted both nationally and across other parts of the globe. As Dr. Nzimande articulated, the SETAs are a core part of this system and must work with the Ministry and government in tackling the immediate COVID-19 adaptation and mitigation challenges facing our nation, and crucially, catalyse the revitalisation and transformation of the national economy through skills development initiatives. As businesses grapple with the economic impact of COVID-19 on global and local economies, the enforced lockdown created its own dynamics that are bound to impact the world of work post COVID-19. Businesses are under increasing pressure to manage costs. The possibility of remote and virtual working in the workplace will continue and will bring about change on how skills programmes will be facilitated.

In the BANKSETA's environment in particular, the impact of COVID-19 has been devastating both on people's lives and the economic wellness of our sector. With the focus being on business continuity, training has been postponed and/or reprioritised. Even in cases where employers wanted to continue with training this was delayed due to lockdown restrictions. It does however create opportunities for training providers who are able to respond quickly to the changing environment and to offer online training. Schools and public training providers resumed learning under level 3 but some had to close again as staff or learners tested positive. As far as workplace learning is concerned all activities partly ceased as employers only allowed critical staff back to the workplace once lockdown restrictions eased. The sector is also embracing the practice of remote working and that hampers work-integrated learning for unemployed learner beneficiaries.

To ensure that unemployed learner beneficiaries are on an equal playing field with regards to learning, the BANKSETA is providing all bursars with learning tools such as tablets or laptops and universities have committed to provide data. Workplace learning is being offered on virtual platforms and learners are provided with learning tools to assist them. BANKSETA has also had to increase learner support and communication to make sure learners are kept informed.

There will be no new work-integrated learning or learnership programmes that will be implemented in the 2020/2021 year as the sector recovers slowly and prepares to adapt to the new normal. To make sure that BANKSETA's offerings for unemployed youth are not neglected, the number of bursaries to be awarded has been doubled and there are remodelling programmes to provide practical skills in a virtual environment. The organisation's skills development support to rural areas has been increased with double the budget and projects put in place to assist learners in the basic education sector to not fall behind.



PHYSICAL DISTANCING



WASH YOUR HANDS



USE SOAP



AVOID CROWDS



AVOID HANDSHAKE



WEAR MASK

STAKEHOLDER SATISFACTION SURVEY

The preceding year's stakeholder satisfaction survey results indicated that BANKSETA stakeholders are satisfied with BANKSETA's performance. The BANKSETA 2019/20 stakeholder satisfaction survey was conducted during the Covid-19 lockdown period. As a result of the pandemic, the response rate was not as expected. The BANKSETA conducted publicity campaigns and extended the submission closing date. The 2019/20 satisfaction score is 4.5/5 as compared to the 2018/19 satisfaction score which was 4.2.

A reminder banner for the 2019-2020 Stakeholder Satisfaction Survey. The background is a blurred image of a hand holding a card with a smiley face. The text is centered and includes a clock icon. On the right, a large purple arrow points towards the survey details. At the bottom, there are social media icons for Facebook, LinkedIn, and Twitter, along with YouTube icons for 'the-bankseta' and 'the-bankingseta'. A sad face icon is also present. The footer contains the organization's mission statement and the Investors in People logo.

REMINDER 
BANKSETA
STAKEHOLDER SATISFACTION SURVEY
2019 - 2020

HAVE YOUR SAY. . .
13 July 2020 - 13 August 2020

thebankseta the-bankseta the-bankingseta the-bankseta

ENABLING SKILLS DEVELOPMENT IN THE BANKING AND ALTERNATIVE BANKING SECTOR

 INVESTORS IN PEOPLE

Accessibility
Professionalism
Programme Relevance
Service Experience
Engagement

A close-up photograph of a person's hands holding a white tablet. The tablet screen displays a business dashboard with a blue bar chart and a pie chart. The person is wearing a blue shirt and a gold watch. The background is blurred, showing an office setting.

PART B:

OPERATIONAL OVERVIEW & PERFORMANCE INFORMATION

ANNUAL PERFORMANCE REPORT

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.1 Strategic Management								
Sub Programme 1.1	Strategic Management							
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							
	1.1.1 Approved Strategic And Annual Performance Plans	Strategic and Annual Performance Plan Approved	Strategic and Annual Performance Plan Approved	SP and APP Approved	Conduct annual review of strategic plans and APP as prescribed by the relevant planning frameworks	Final Strategic plan and APP sent to Parliament by due date	No Deviation	This target was achieved
	1.1.2 Number of quarterly implementation reports	4	4	Quarterly Reports submitted to the Executive Authority and National Treasury	Quarterly reports submitted to the Executive Authority, And National Treasury within 30 days from the end of the quarter	Quarterly performance report has been submitted to the National Treasury and DHET	No Deviation	This target was achieved
	1.1.3 Audited Annual Report	Audited AR approved and submitted within stipulated timeframes	Audited AR approved and submitted within stipulated timeframes	Audited AR Submitted	Produce AR and submit AGSA for audit and to NT and Parliament by due dates	AR was submitted to AGSA, NT and Parliament by due dates	No Deviation	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.2 Optimal Human Resource Capacity								
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							
	1.2.1 Average % of funded posts which are vacant over a quarter	<10%	<10%	14.06%	Maintain a vacancy rate of 5% or less annually	A vacancy rate of less than 5% was maintained	No Deviation	This target was achieved
	1.2.2 % of performance agreements and reports submitted on time	Not Applicable	Not Applicable	100%	Achieve 100% submissions of performance agreements, reviews and assessments by due dates	100%	No Deviation	This target was achieved
	1.2.3 % targets of workplace Skills Plan achieved	Not Applicable	Not Applicable	74%	Achieve 70% of targets in the WSP by the end of the financial year	132%	58%	This target was exceeded due to the increased need for training in BANKSETA

			1.2.4 % targets of EE Plan achieved	Not Applicable	89,09%	Achieve 90% of target in the EE Plan	88.3%	1.7% underachieved	This target was not achieved. Even though most of the most of the employment equity numerical goals has been met, on the areas under represented, the overall EE target of 90% was not reached.
			1.2.5 % of disciplinary cases finalised within the timeframe	Not Applicable	1	Resolve all disciplinary cases within 90 days of the cases being initiated	0%	100%	This target was not achieved as the investigations of the allegations have not been concluded.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	1.2.6 Investor in People recognition achieved	"Developed" Status	"Developed" Status	Retained the Recognition at an "Established" Level	Established with recommendations for improvement	The IP standard status was maintained	No Deviation	This target was achieved
	1.2.7 Employee Satisfaction Index	Not Applicable	Not Applicable	3.77	Achieve 3.5 score on employee satisfaction index	3.9	0.40	The target was exceeded slightly due to interventions by management and it is expected that BANKSETA will continue to improve in the coming years

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.3 Communication and Brand Awareness								
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							
	1.3.1 Approved Annual Communication Plan and quarterly reports on implementation of the plan	Not Applicable	Not Applicable	96%	Produce a communication plan annually and report on its implementation within 30 days of end of each quarter of the financial year	Report submitted	No Deviation	The target was achieved
	1.3.2 Stakeholder satisfaction rating	4.2/5	3.1/5	4.2	Maintain the SS rating of 4.2	4.5	0.3	The target was exceeded slightly due to interventions by management and it is expected that BANKSETA will maintain this score in the coming years
	1.3.3 Stakeholder Engagement Sessions held	1	2	2	2 Stakeholder engagement sessions held annually	17 Events	15	This target was exceeded due to the BANKSETA's endeavours to increase stakeholder engagement

	1.3.4 Stakeholder Engagement Sessions held	Not Applicable	Not Applicable	3	4 BANKSETA ACCOUNT produced and distributed annually	2	2	This target was achieved by producing two bi - annual bumper publications produced with 40 pages each covering two quarters
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Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.4 ICT Support								
Sub Programme 1.4	ICT Support							
Description	To provide ICT Infrastructure and business applications including disaster recovery to support business continuity of BANKSEITA 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 BANKSEITA							
	1.4.1 % Achievement of ICT Systems standards as stipulated in the standards document	Not Applicable	Not Applicable	100%	Produce annual reports indicating 80% achievement of ICT systems standards	80%	No Deviation	This target was achieved
	1.4.2 Percentage achievement of targets in the business applications plan and systems availability	Not Applicable	Not Applicable	99.75%	80% of systems availability maintained	50%	-30%	This target was not achieved. Management is reviewing the IT infrastructure and systems for improvement and improvement of security.
	1.4.3 % Compliance to ICT Governance Regulatory Framework	Not Applicable	Not Applicable	83%	80% compliance to ICT governance regulatory framework	85%	5%	This target was achieved
	1.4.4 Data availability and data integrity	Not Applicable	Not Applicable	100%	Service provider deliverables, including problems and system errors resolved	100%	No Deviation	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.5 Financial Management and Reporting								
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							
	1.5.1 % of valid invoices paid within 30 days	Not Applicable	Not Applicable	99,96%	100% of valid invoices paid within 30 days or disciplinary action taken in 100% of cases where invoices are not paid within 30 days.	85%	-15%	This target was not achieved. The issue of stakeholders sending invoices without all the supporting evidence is being addressed. Each invoice not processed within 30 days have a motivation stating the reason for the delay. In addition the BANKSETA needs to recalculate the calculation of the days from the date the invoice is received in future.
	1.5.2 Admin costs controlled within benchmarked limit of less than 10% of levies income	<10%	<10%	<10%	Admin costs controlled within benchmarked limit of less than 10% of levies income	<10%	No Deviation	This target was achieved

1.5.3 Processing payment of Mandatory Grants and Discretionary Grants	>96%	>96%	>96%	Processing/ payment of mandatory grants and discretionary grants	97%	No Deviation	This target was achieved		
1.5.4 % Wasteful and fruitless expenditure	0%	0%	0,19%	0% Wasteful and fruitless expenditure	0,00%	No Deviation	This target was achieved		

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	1.5.5 Submission of Procurement plan to DHET and NT by Compliance date and % adherence to timelines	100%	100%	25%	80% adherence to Annual Procurement Plan including timelines	32%	-48%	The BANKSETA did not have the appropriate bid committees and therefore tenders were not processed for most of the year. The BANKSETA has since resumed tenders.
	1.5.6 % SCM compliance to NT and cost containment measures	100%	100%	99,81%	100% SCM compliance to NT and cost containment measures	99%	-1%	The one deviation was due to an urgent matter.
	1.5.7 Financial and SCM reporting	Reporting done	Reporting done	Reporting done	Financial and SCM reporting	Financial and SCM reporting done	No Deviation	This target was achieved
	1.5.8 Clean audit outcome (Financially unqualified; no material findings on APO and non-compliance with legislation)	Unqualified	Unqualified	Unqualified	Clean Audit	Unqualified	-100%	BANKSETA received and unqualified audit opinion

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.6 Organisational Compliance, Internal Audit and Risk Management								
Sub Programme 1.6	Organisational Compliance, Internal Audit and Risk Management							
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							
	1.6.1 % Organisational compliance with all applicable legislation, regulations and policy	Not Applicable	100%	99,81%	100% organisational compliance with all applicable legislation, regulations and policy	100%	No Deviation	This target was achieved
	1.6.2 Approved risk management plan and quarterly progress reports	Risk Register updated, approved and reported on	Risk Register updated, approved and reported on	Risk Register updated, approved and reported on	Conduct annual risk assessment/ review and produce risk management implementation plan. Produce annual risk plan and quarterly progress reports.	Risk register reported on	No Deviation	This target was achieved
	1.6.3 Approved internal audit plan and quarterly monitoring reports	Plan submitted, approved and reported on	Plan submitted, approved and reported on	Plan submitted, approved and reported on	*Produce a 3 year rolling strategic internal audit plans and submit to the Audit Committee for approval by 30 June 2019. Quarterly audit implementation reports submitted to Audit Committee	Plan submitted and reported on	No Deviation	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
1.7 Monitoring and evaluation of BANKSETA effectiveness and impact measured								
Sub Programme 1.7	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							
Strategic Objective 1.7	Overall Organisational Performance evaluated and Impact of BANKSETA Programmes measured							
	1.7.1 Overall Organisational Performance Rating	Not Applicable	Not Applicable	None	75% Organisational Performance Rating	71%	4%	BANKSETA did not achieve the 75% organisational performance rating planned for. Areas for improvement will be identified and actioned. This rating is based on the achievement of organisational objectives as in the Strategic and Annual Performance Plan. An independent study using the DHET M&E Framework is planned for 2020/2021

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	1.7.2 Tracking and Tracer Study for WBL interventions to measure job placements for unemployed learners	Not Applicable	Not Applicable	None	80% of WBL learners who completed in 2017	Report on learners who completed from 2016 to 31 March 2018 was concluded.	No Deviation	This target was achieved. A report based on feedback from Employer employment records was produced. An external study in line with the DHET M&E Framework will be conducted in 2020/2021
	1.7.3 Return on training investment (ROTI) for employed beneficiaries	Not Applicable	Not Applicable	None	80% of all employed beneficiaries who completed in 2017	None	100%	This target was not achieved. The procurement for a provider to conduct this study delayed the process and the provider will only conclude the report in 2020/2021

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
2.1 Mandatory Grants								
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							
	2.1.1 Participation rates of employers in WSP process	>95	>95	Total: 428 Large: 76 Medium: 51 Small: 301	Total: 428 Large: 76 Medium: 51 Small: 301	Total: 498 Large: 76 Medium: 50 Small: 372 of which 129 levy paying	70	This target was exceeded. The movement between large, medium and small organisations is fluid and therefore the overall number is considered
	2.1.2 Mandatory Grants Claims Ratio	>95%	>95%	97,35%	At least 95% pay-out rate of mandatory grants	>95	No Deviation	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
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							
	2.2.1 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	Research Agenda submitted to DHET	Research Agenda submitted to DHET by due date	No Deviation	This target was achieved
	2.2.2 Number of Research Partners appointed	Not Applicable	Not Applicable	12	5 Research Partners appointed at public HE institutions	0	100% Deviation	Procurement has not been concluded on time and therefore the provider contracts will only be signed in 2020/2021
	2.2.3 Number of research reports and /or working papers completed and publications placed on knowledge portal	3	3	15	17	17	No Deviation	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
2.3 Annual Sector Skills Plan developed and approved by DHET								
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							
	2.3.1 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	Annual Board approved SSP	SSP Approved and Submitted	No Deviation	This target was achieved
	2.3.2 Annual SP and APP approved by Board and Submitted by due date	SP and APP approved and submitted	SP and APP approved and submitted	SP and APP approved and submitted	Annual Board approved SP and APP	SP and APP approved and submitted	No Deviation	This target was achieved
	2.3.3 % Evaluation rating of SSP, SP and APP against DHET evaluation criteria	Not Applicable	Not Applicable	Accepted	90%	>90%	No Deviation	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	2.3.4 SSP, SP and APP communicated to stakeholders and SSP 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	200 hard copies printed and/or electronic copy placed on website	200 copies of SSP Printed and placed on Website	200 Copies of SP and APP not printed and not placed on the Website	This target was not achieved. Due to the financial details of all projects being reflected in the SP and APP the documents were not placed on the website and not distributed

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.1 Sector Learnerships								
Sub Programme 3.1	Sector Learnerships (Leisema & Kuyasa)							
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 2021/2022. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Youth Development							
Budget	R76 426 000.00							
Strategic Objective 3.1	Access to occupationally directed programmes for unemployed youth through a range of interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	As per the pivotal list							
	3.1.1 Success is measured by the number of learners entering the programme	640"	724	720	656	700	44	The target was exceeded due to demand from host employers to place learners, as a result the provider costing was low due to high number of recruited learners, that led to surplus and we were able to top up the numbers
	3.1.2 Success is measured by the number of learners completing the programme successfully	452	575	636	338	661	323	The target was exceeded due to high number of entered learners, high level of learner support and zero drops out

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.2 PIVOTAL Grant Funding Window: Unemployed								
Sub Programme 3.2	PIVOTAL Grant Funding Window: Unemployed (Includes employer driven Learnerships, Internships, Skills Programmes, Bursaries)							
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 2021/2022. The number of learners entering the programme annually is reflected in the table below.							
Responsibility	Manager: Youth Development							
Budget	R37 574 000.00							
Strategic Objective 3.2	Access to occupationally directed programmes for unemployed youth through a range of interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	As per the Pivotal list							
	3.2.1 Success is measured by the number of learners entering the programme	600	711	680	910	715	-195	Target not achieved due to a delay in the approval of funding window applications. This led to delays in the finalisation of the recruitment and selection process

	<p>3.2.2 Success is measured by the number of learners completing the programme successfully</p>	359	587	477	409	561	152	<p>Target was exceeded. Learners who were incompetent the previous year, have been re-evaluated and have been found competent. Also there was a high number of entered which led to high number of completion</p>
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Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.3 Work Readiness Programme								
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 2021/2022. 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 3.3	Access to occupationally directed programmes for unemployed youth through a range of interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Information Technology							
	3.3.1 Success is measured by the number of learners entering the programme	237	226	498	239	98	-141	Target not achieved due to delay in procurement and contracting of a provider. The achievement includes 46 learners on Cyber Security Programme
	3.3.2 Success is measured by the number of learners completing the programme successfully	221	212	249	391	249	-142	Target not achieved due to delay in procurement of provider

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.4 Mathematics and Science Support Programme								
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	R5 000 000.00							
Strategic Objective 3.4	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
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.							
	3.4.1 Success is measured by the number of learners entering the programme	1316	1327	714	1000	1072	129	Target achieved and exceeded with 72 learners due to more applications received
	3.4.2 Success is measured by the number of learners completing the programme successfully	1375	978	965	650	269	140	Target not achieved due to less learners entering in the previous year.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.5 TVET Work Integrated Learning Funding Window								
Sub Programme 3.5	TVET work Integrated 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 2021/2022. The number of learners entering the programme annually is reflected in the table below.							
Responsibility	Manager: Bursaries and Work Integrated Learning							
Budget	R32 993 502.00							
Strategic Objective 3.5	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	As per the pivotal list							
	3.5.1 Success is measured by the number of MoUs signed with TVETs	10	11	14	10	20	10	This target was exceeded due to more TVETs applying for funding for their students
	3.5.2 Success is measured by the number of learners accessing WIL opportunities	682	723	88	497	876	379	This target was exceeded due to more TVETs applying for funding for their students and therefore more beneficiaries entering WIL
	3.5.3 Success is measured by the number of learners completing WIL successfully	Not Applicable	Not Applicable	Not Applicable	195	125	-70	This target was not achieved as some learners in the group that was supposed to complete started late.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.6 Universities of Technology Work Integrated Funding Window								
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 2021/2022. The number of learners entering the programme annually is reflected in the table below.							
Responsibility	Manager: Bursaries and Work Integrated Learning							
Budget	R21 924 000.00							
Strategic Objective 3.6	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	3.6.1 Success is measured by the number of MoUs signed with UoTs	5	5	11	5	5	0	This target was achieved
	3.6.2 Success is measured by the number of learners accessing WIL opportunities	502	274	340	290	150	-140	This target was not achieved due to a delay in finding work placement for some learners before financial year end
	3.6.3 Success is measured by the number of learners completing WIL successfully	Not Applicable	Not Applicable	Not Applicable	292	173	-119	This target was not achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.7 Higher Education Funding Window								
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, 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 2021/2022. 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	R96 004 000.00							
Strategic Objective 3.7	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	3.7.1 Success is measured by number of MoUs signed with Higher Education Institutions	6	21	24	8	24	16	This target was exceeded with 16 Agreements due to more Universities applying for bursaries for their students
	3.7.2 Success is measured by the number of learners entering the programme	1454	2630	946	900	1196	296	This target was exceeded due to the increased need for bursaries for unemployed youth and the applications received from HEI

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	3.7.3 Success is measured by the number of learners completing the programme successfully	488	650	548	422	450	28	This target was exceeded due to more learners entering in previous years
	3.7.4 Success is measured by the number of lecturer bursaries signed	13	61	112	50	130	80	This target was exceeded as more lecturers applied for skills development
	7.4.5 Success is measured by the number of lecturer bursaries successfully completed	Not Applicable	Not Applicable	Not Applicable	25	5	-20	This target was not achieved as lecturers did not complete their programme on time

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.8 NSFAS Support								
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 Work Integrated Learning							
Budget	R4 000 000.00							
Strategic Objective 3.8	Access to occupationally directed programmes for unemployed youth through a range of interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	3.8.1 Success is measured by the number of learners re-imbursed for completing the programme successfully	70	95	80	80	0	-80	This target was not achieved as NSFAS could not provide the performance information on time despite follow up from BANKSETA. The Agreement between BANKSETA and NSFAS will be revisited and engagement started in advance of 2020/2021 reporting.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.9 Career Awareness								
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 500 000.00							
Strategic Objective 3.9	Accessible career and vocational guidance within the banking sector							
Skills Priorities	Not applicable							
Scarce Skill / PIVOTAL Programme	Not applicable							
	3.9.1 Success is measured by the number of career awareness workshops conducted	40	40	27	40	45	5	This target was exceeded due to the need for more workshops
	3.9.2 Success is measured by the number of Life Orientation Teachers trained	919	938	1400	500	1248	748	This target was exceeded due to more teachers attending training
	3.9.3 Success is measured by the number of career guides distributed	8440	7560	6500	5000	5277	277	This target was exceeded due to more career guides than expected being requested and distributed

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.10 International Executive Development Programme								
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 sector with a further aim of achieving successful completions as per the annual targets listed below by the year 2021/2022. 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 3.10	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Management and Leadership							
	3.10.1 Success is measured by the number of learners entering the programme	39	40	40	40	0	-40	This target was not achieved. The Bid process led to a non award and this has delayed the start of the programme. Taking into account the restrictions on travel, this project is now deemed as not implemented.
	3.10.2 Success is measured by the number of learners completing the programme successfully	39	39	40	39	0	-39	Target not achieved due to no learners entering the programme.

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.11 PIVOTAL Grant Funding Window (Employed)								
Sub Programme 3.11	PIVOTAL Grant Funding Window							
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 2021/2022. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Skills Development							
Budget	R129 832 500.00							
Strategic Objective 3.11	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	3.11.1 Success is measured by the number of learners entering the programme:	1918	2590	4949	4135	3607	-528	This target was not achieved for two reasons: the quality of the applications were not according to the application criteria and fewer beneficiaries were approved for funding. In addition the information for beneficiaries who were approved were received late or incomplete.
	1340 Learnerships							
	1795 Bursaries							
	900 Skills Programmes							
	100 Candidacy Programmes							
	200 RPL							

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	3.11.2 Success is measured by the number of learners completing the programme successfully	0	1141	1452	4415	1747	-2668	This target was not achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.12 Reskilling of employees funding window								
Sub Programme 3.12	Reskilling of employees funding window							
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 2021/2022. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Skills Development							
Budget	R5 000 000.00							
Strategic Objective 3.12	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	Cross Sectoral							
Scarce Skill / PIVOTAL Programme	Cross Sectoral							
	3.12.1 Success is measured by the number of learners entering the programme	Not Applicable	229	766	1000	4642	3642	This target was exceeded due to the increased need for reskilling programmes due to restructuring in the sector
	3.12.2 Success is measured by the number of learners completing the programme successfully	Not Applicable	Not Applicable	148	600	645	45	This target was exceeded due to the increased need for reskilling programmes due to restructuring in the sector

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.13 IT Funding Window								
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 2021/2022. 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 000 000.00							
Strategic Objective 3.13	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	"Technology, Digitisation and Innovation							
Scarce Skill / PIVOTAL Programme	Information Technology related skills							
	3.13.1 Success is measured by the number of learners entering the programme	Not Applicable	423	689	200	413	213	This target was exceeded due to the increased need for IT programmes in the sector due to digitalisation
	3.13.2 Success is measured by the number of learners completing the programme successfully	Not Applicable	342	383	120	282	162	This target was exceeded due to more learners entering the programme in the previous year

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.14 SME Funding Window								
Sub Programme 3.14	SME Funding Window							
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 2021/2022. The number of SMEs accessing funding and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Alternative Banking							
Budget	R15 000 000.00							
Strategic Objective 3.14	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	3.14.1 Success is measured by the number of SME Organisations accessing funding	58	108	156	100	141	41	This target was exceeded due to the increased need for skills development in SME organisations
	3.14.2 Success is measured by the number of SME Organisations completing the funded programme successfully	39	47	35	60	78	18	This target was exceeded due to more programmes than anticipated completing the training

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.15 Entrepreneurship Programme								
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 2021/22. The number of learners entering the programme and successfully completing the programme annually is reflected in the table below.							
Responsibility	Manager: Alternative Banking							
Budget	R20 000 000.00							
Strategic Objective 3.15	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Entrepreneurship skills							
	3.15.1 Success is measured by the number of learners entering the programme	110	252	200	300	405	105	This target was exceeded due to an increased need for Entrepreneurial skills
	3.15.2 Success is measured by the number of learners completing the programme successfully	91	171	199	130	346	216	This target was exceeded due to more delegates entering the programme in the previous year

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.16 Co-operative Financial Institution Support								
Sub Programme 3.16	Co-operative Financial Institution Support							
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 2021/22.							
Responsibility	Manager: Alternative Banking							
Budget	R5 000 000.00							
Strategic Objective 3.16	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"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Aligned to the demands of the sector and in line with the five skills priority learning areas							
	3.16.1 Success is measured by the CFIs assisted with skills development.	31	30	30	30	33	3	This target was exceeded with 3 CFIs
	3.16.2 Success is measured by the number of CFI members trained.	233	334	447	300	303	3	This target was exceeded with 3 members

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.17 Rural Training								
Sub Programme 3.17	Rural Training							
Description	The aim of the programme is to register learners in rural areas as per the annual targets listed by the year 2021/22							
Responsibility	Manager: Alternative Banking							
Budget	R7 000 000.00							
Strategic Objective 3.17	Access to occupationally directed programmes for unemployed youth through a range of interventions in order to enhance employability							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Financial Management							
	3.17.1 Success is measured by the number of rural areas trained in	1	18	37	10	21	11	This target was exceeded due to an increased need for training in rural areas
	3.17.2 Success is measured by the number of rural based learners attending training	372	1801	2510	1500	1595	95	This target was exceeded due to more delegates than anticipated attending the training

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.18 International Executive Development Programme: Development Finance								
Sub Programme 3.18	International Executive Development Programme: Development Finance							
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 sector with a further aim of achieving successful completions as per the annual targets listed below by the year 2021/2022. 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 000 000.00							
Strategic Objective 3.18	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Management and Leadership							
	3.18.1 Success of the programme is measured by number of learners entering the programme				20	0	-20	This target was not achieved due to the bid process leading to a non award which delayed the start of the programme
	3.18.2 Success of the programme is measured by number of learners completing the programme successfully				18	0	-18	This target was not achieved due to the bid process leading to a non award which delayed the start of the programme

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.19 African Expansion								
Sub Programme 3.19	African Expansion Programme							
Description	The project aims to support skills development for South African banking leaders expanding into Africa by registering delegates as per the targets below on an international executive development programme for expanding into Africa by the end of 2021/22. A further aim is for delegates to complete the programme successfully and present their learnings at a BANKSETA conference/workshop.							
Responsibility	Head: Research							
Budget	R20 000 000.00							
Strategic Objective 3.19	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	<ul style="list-style-type: none"> • Technology, Digitisation and Innovation • Compliance and Risk Management • Management and Leadership Development • Markets, Products and Services • Customer Centricity 							
Scarce Skill / PIVOTAL Programme	Programme is aligned to the research needs of the sector							
	3.19.1 Success of the programme is measured by number of delegates registered on the programme	Not Applicable	20	20	20	20	0	This target was achieved
	3.19.2 Success of the programme is measured by number of delegates completing the programme successfully	Not Applicable	20	0	20	20	0	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	3.19.3 Success is measured by the number of reports written and presented by the delegates at a BANKSEIA workshop/ conference	Not Applicable	10	0	10	10	0	This target was achieved

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
3.20 Doctoral and Post-Doctoral bursaries								
Sub Programme 3.20	Doctoral and Post-Doctoral bursaries							
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 2021/22. 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	R5 000 000.00							
Strategic Objective 3.20	Workplace based skills programmes for workers that address scarce and critical skills							
Skills Priorities	Not applicable							
Scarce Skill / PIVOTAL Programme	This project is aligned to the Research needs of the sector							
	3.20.1 Success of the programme measured by the number of bursaries awarded	Not Applicable	Not Applicable	0	25	24	-1	This target was not achieved due to insufficient applications meeting the criteria being received
	3.20.2 Success of the programme measured by the number of students completing successfully	22	24	21	15	1	-14	This target was not achieved due to it being a multiyear qualification and though delegates progressed satisfactory the qualification will only be awarded upon completion of the full qualification

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
4.1 Quality Management of training provision								
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. SDFs 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 4.1	Occupation based qualifications registered (through QCTO) against which curriculum is developed and submitted to QCTO and SAQA for approval							
	4.1.1 Success is measured by the number of Curricula and Quality Assessment Specifications documentation submitted for registration.	Not Applicable	2	2	2	2	0	This target was achieved. The Curriculum documents for the Anti Money Laundering was submitted to the QCTO. The Curriculum documents for the Business banker has been submitted to the QCTO for registration.
	4.1.2 Success is measured by the nomination of an AQP to the QCTO	Not Applicable	1	2	2	0	0	This indicator is no longer applicable as the QCTO indicated that they will be the AQP for all qualifications. Meeting was held with Dianne Kemp - Deputy Director Assessment

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
4.2 Quality Management of training provision, assessment and certification of legacy qualifications								
Sub Programme 4.2	Quality Management of training provision, assessment and certification of legacy qualifications.							
Description	BANKSETA has the delegated authority of the QCTO to accredit sectoral training providers thereby ensuring quality assurance in the facilitation of learning delivery and implementation and the validity of summative assessments conducted. The quality assurance is enabled through provider site audits and external moderation to ensure the compliance of assessments conducted according to an assessment strategy and implementation.							
Responsibility	Manager: Quality Management							
Budget	Nil							
Strategic Objective 4.2	Quality management of assessment methodologies to improve competencies in the sector							
	4.2.1 Success of the programme is measured by number of new provider that reflect best practice in their new application or re-accreditation thereby have a status of "preferred" provider.	10	23	24	3	6	3	This target was exceeded with 1 Provider
	4.2.2 Success of the programme is measured by number of learners that are verified and certified on BANKSETA qualifications.	1355	2929	4230	1000	5962	4962	This target was exceeded due to training providers in the sector training more learners than anticipated and therefore more learners were certificated

Programme / Activity / Objective	Performance Indicators	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Achievement 2019/2020	Actual Achievement 2019/2020	Deviation from planned targets to actual achievement for 2019/2020	Comments on Deviations
	4.2.3 Success is measured by timely and accurate submission of the QCTO quarterly report				4	4	0	This target was achieved
	4.2.4 Success is measured by the status of the NLRD League as green twice a year				2	2	0	This target was achieved

TRACKING AND TRACING REPORT: PROGRAMMES FOR THE UNEMPLOYED

Introduction and background

The BANKSETA conducted a study to determine the employment status of the beneficiaries who completed a BANKSETA implemented Work-Based Learning (WBL) programme during the previous five-year Strategic period (2015-2020). These programmes were offered in the form of internships and learnerships.

Aims and objectives

This study seeks to investigate the employment status of the beneficiaries that completed Work Based Learning (WBL) Programmes funded by the BANKSETA between April 2016 and March 2020. This would enable the BANKSETA to understand the effectiveness of the Work Based Learning Programmes offered.

The study, therefore, addresses the following related objectives:

- To determine the destinations of learners who have completed Learnerships and Internships programmes;
- To determine the nature of employment of learners who received BANKSETA funding; and
- To serve as input to the Sector Skills Plan (SSP).

Research Methodology

This study used quantitative research methods and techniques. The research approach involved the collation and analysis of numerical and qualitative data collected. The data was collected as part of Service Level Agreements signed between the BANKSETA and its Programmes Implementation Partners. The partners are required to trace and track the beneficiaries and submit the data to the BANKSETA for analysis and reporting. A total of 1 887 beneficiaries who completed the programme during this period were identified for the study, with a response rate of 99%.

Two data sources were used, one for the reported programme completions. This information is collected for reporting to the BANKSETA principal, the Department of Higher Education and Training (DHET). The other source was from the data collected by the BANKSETA implementation partners for the programmes. The partners tracked the learners as part of the contract with the BANKSETA. This information was collated and coded into an Excel file.

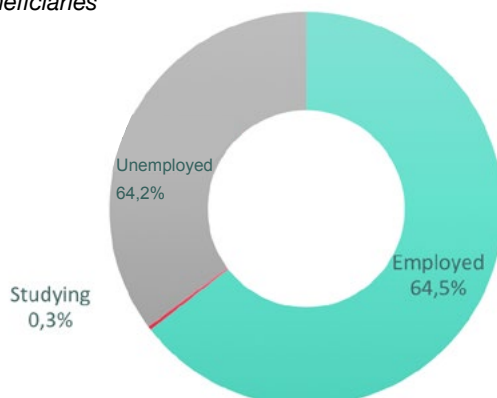
The tracking information mainly contains information about the employment status of the different beneficiaries, where they were employed, type of employment, the year they completed the programme. On the other hand, the information regarding the profile of the beneficiaries is contained in the completion data reported to the DHET. The profile contains information like gender, race, age, etc.

The information was concatenated using the Identity Document numbers of the beneficiaries for analysis. The analysis was done on Excel. Different tables and graphics were generated and reported in this report.

Summary of Research Findings

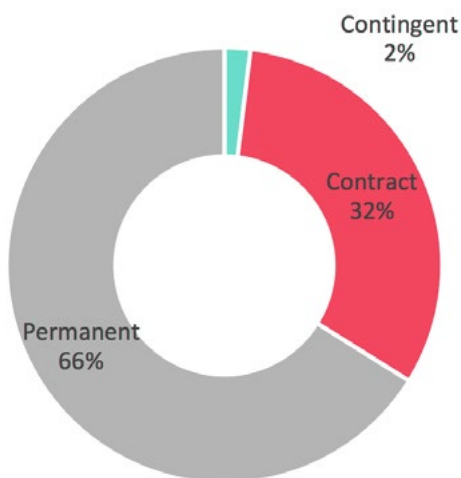
A total of 1 859 beneficiaries were tracked and the tracking data analysed. The results indicate that over 65% of the beneficiaries were employed after completing the programme, with a further 0,3% still pursuing their studies, see the figure below.

Figure 1: Employment Status of Beneficiaries



The employment data further showed that the majority of the beneficiaries were employed permanently, with 66% falling in this category. The number of those that were employed on contract stood at 32%, see Figure 2 below.

Figure 2: Employment by Type

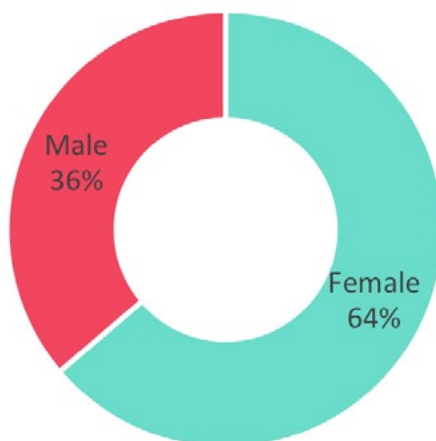


As part of the sector transformation goals, the BANKSETA has set minimum targets for its programmes. The targets for gender and race are 54% female and 85% black respectively. The target for people with disabilities is 4%. These targets are applied across all programmes. Almost all the beneficiaries are youth with ages ranging between 19 and 35 at the time of completion of the programme.

The BANKSETA has set minimum targets for its programmes as follow. The targets for gender and race are 54% female and 85% black respectively. The target for people with disabilities is 4%. These targets are applied across all programmes. Almost all the beneficiaries are youth with ages ranging between 19 and 35 at the time of completion of the programme.

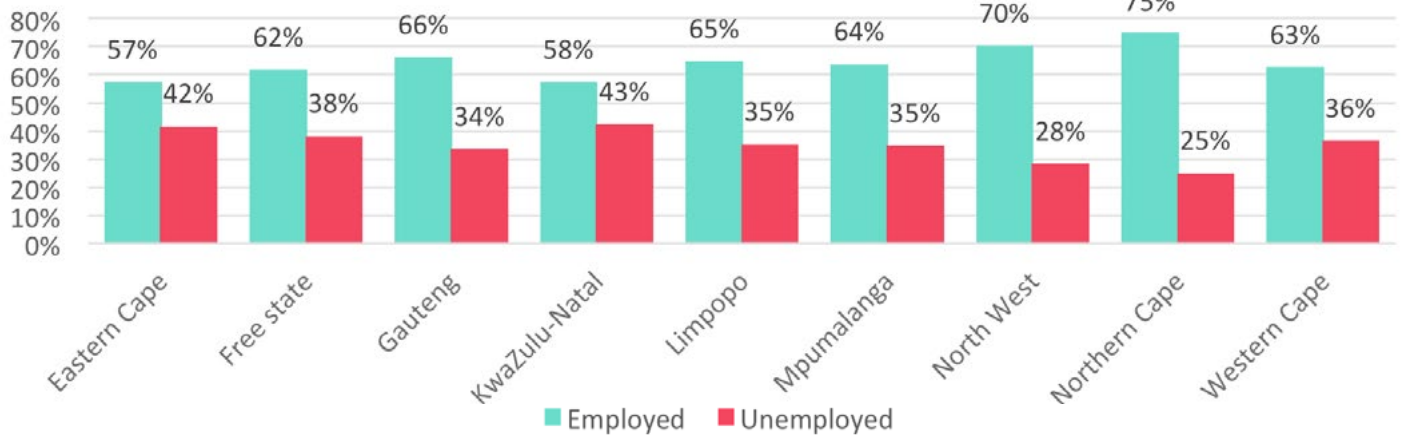
Of the total number of those who managed to secure employment, 64% were women, see Figure 3 below. The data also shows that about 93% of the beneficiaries were Africans. The percentage of beneficiaries living with disabilities is still very low at less than 1%. However, the employment rate of beneficiaries in this category was high with 62% employment rate.

Figure 3: Employment by gender



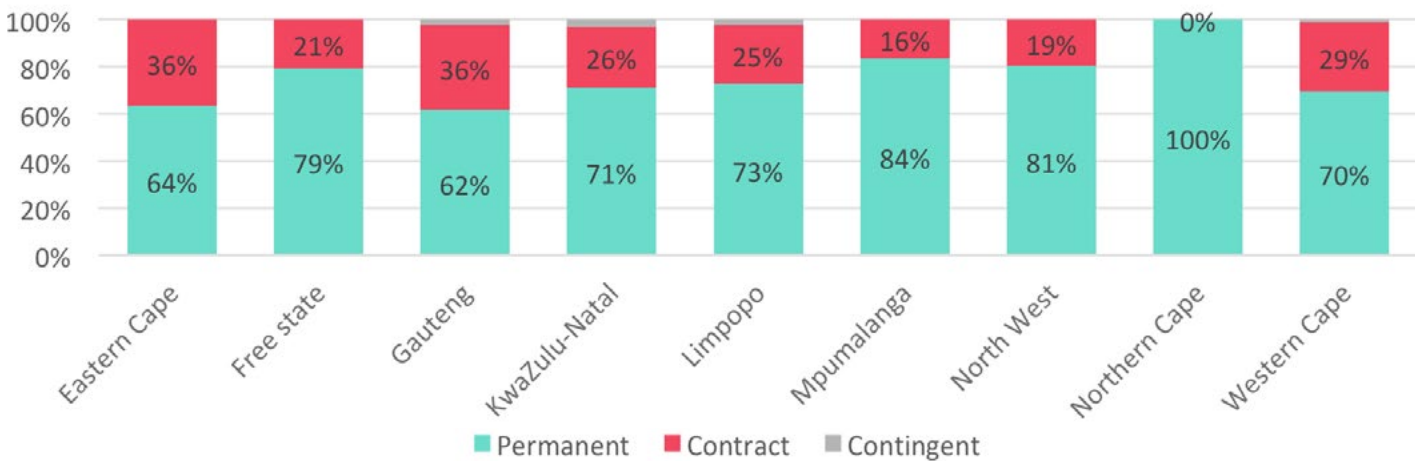
The geographical distribution of beneficiaries' employment shows that Northern Cape had the highest percentage of employability for the beneficiaries at 75%. However, it should also be noted that this province also employed the least number of beneficiaries. The other provinces with high employment rates for the beneficiaries are Gauteng and North West with the employment of 66% and 70% respectively. The Eastern Cape had the least employment rates for beneficiaries with 57%, see Figure 4 below.

Figure 4: Employment Status per Province



The employment type dimensions show that Gauteng employed only 62% of the beneficiaries on a permanent basis compared to the average of 66% in all the provinces, see Figure 5 below.

Figure 5: Employment Type per Province



Conclusions and Recommendations

The study measured the employment rates of the beneficiaries who completed a youth programme for the unemployed. The study also focused on the type of employment beneficiaries found.

There seems to be a substantial improvement in employment prospects for those completing the programme as the employment rate stood at 65%. Considering that the youth unemployment rate in South Africa is at around 40%, this programme gives youth in the sector an edge in the job market.

Employment rates in other provinces are higher than the 65% average recorded (Northern Cape, North West, Gauteng and Limpopo). Those beneficiaries that completed the programme before the age of 31 had a higher success rate in finding jobs compared to those aged between 32 and 35.

Many of those employed were working as permanent employees (66%). On the other hand, 32% were employed on a contract basis with the remainder been employed as temporary workers.

The programme also catered for people living with disabilities. The data shows that those beneficiaries also enjoyed a high employment rate of 62% even though success rates for Africans were a mere 55%.

Conclusion

In conclusion, one could conclude that the BANKSETA WBL Programmes (learnership and internships) are effective. The BANKSETA must continue to improve on the implementation of these programmes. Extra efforts must be done to increase the number of beneficiaries for internship programme.

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 as amended by Act 26 of 2011 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. When required BANKSETA appears before the Portfolio Committee to comply with oversight requirements of the Committee. In addition, all Parliamentary Questions which the BANKSETA was requested to answer during the financial year were provided to the Executive Authority.

- **Executive Authority**

The Executive Authority (the Minister of Higher Education, Science and Innovation) 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 compiled 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 2019/2020 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 fulfils 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



Professional Bodies
Mr. Malesela Maleka



Organised Labour
Ms. Samantha Anthony



Organised Employer
Dr. Lucy Voss-Price



Organised Labour
Mr. Malesela Lekota



Organised Employer
Ms. Myenthrée Moodley



Organised Labour
Ms. Lebogang Selepe



Community Organisation
Ms. Sabi Padi



Organised Employer
Mr. Dean Retief



Organised Labour
Mr. David Cedras

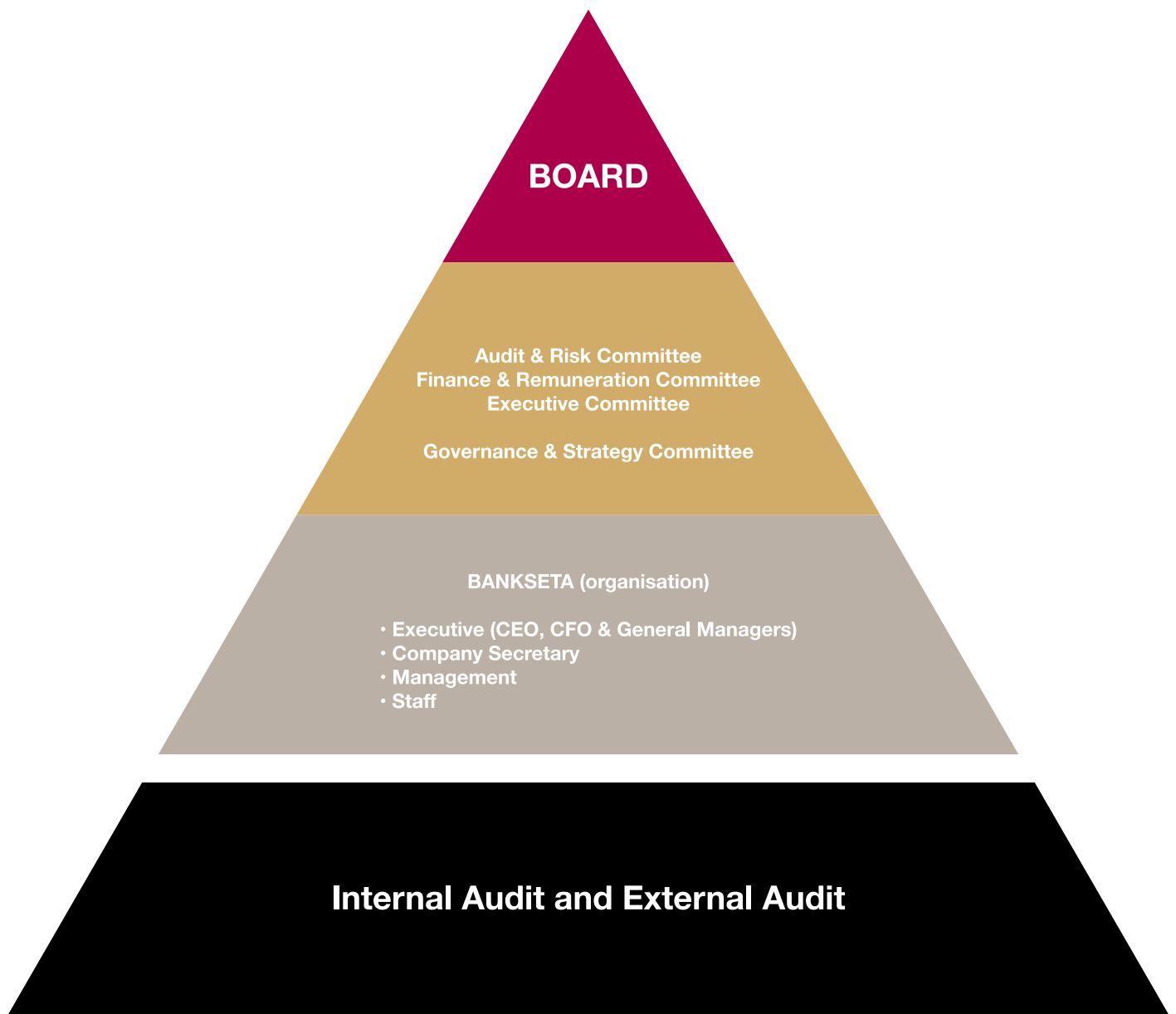


Organised Labour
Mr. Joe Kokela

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) and other relevant legislation and National Treasury regulations is 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:

- Govern and manage the SETA;
- 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;
- 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;
- To set a strategic direction for the SETA;
- Liaise with stakeholders;
- Ensure that the SETA complies with the relevant statutory requirements and the requirements of the Constitution;e implementat
- Manage institutional risk;
- Monitor the performance of the SETA;
- Apply for the establishment of the SETA in terms of section 9(1) of the Act, read together with the Regulations Regarding Establishment of Sector Education and Training Authorities, 7 September 1999, as amended by General Notice R106 in the Government Gazette 27254 of February 2005;
- Perform its functions as required by the Skills Development Act;
- Meet the targets in the National Skills Development Strategy (NSDS);
- Implement the approved Strategic Plan; and
- 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, risk management priorities, meeting procedures and governance principles.

During the 2019/2020 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 composition of the BANKSETA Board consists of:

Six representatives from organized labour and six representatives from organized 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 after consultation with the National Skills Authority (NSA).

The Board's term of appointment was from 1 April 2018 to 31 March 2020. The details of the Board members for the 2019/2020 financial year are as follows:

Board Member Name	Constituency	Role	Appointment Date
Ms Nosipho Mia Makhaya	Independent	Chairperson	01 April 2018
Mr Malesela Maleka	Community Organisation	Member	01 April 2018 ¹
Ms Sabi Padi	Community Organisation	Member	01 April 2018
Mr Moses Lekota	Organised Labour	Member	01 April 2018
Ms Samantha Anthony	Organised Labour	Member	01 April 2018 ²
Mr Joe Kokela	Organised Labour	Member	01 April 2018 ³
Ms Lebogang Selepe	Organised Labour	Member	01 April 2018
Ms Noxolo Jonas	Organised Labour	Member	01 April 2018
Mr David Cedras	Organised Labour	Member	01 April 2018
Ms Vasinthee Moodley	Organised Employer	Member	01 April 2018
Ms Myenthrree Moodley	Organised Employer	Member	01 April 2018
Dr Lucy Voss-Price	Organised Employer	Member	01 April 2018 ⁴
Mr Dean Retief	Organised Employer	Member	01 April 2018 ⁵
Mr Israel Noko	Organised Employer	Member	01 April 2018 ⁶
Ms Sarah Louw	Organised Employer	Member	01 April 2018 ⁷

There were four 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
- Governance and Strategy Committee
- Executive Committee

1 Mr Malesela Maleka - Board member effective 1 April 2011. Was unable to attend meetings during the year under review due to ill health

2 Ms Samantha Anthony - Board member effective 2 August 2011

3 Mr Joe Kokela - Board member effective 1 April 2011

4 Dr Lucy Voss-Price - Resigned effective 31 December 2019

5 Mr Dean Retief - Resigned effective 31 July 2019

6 Mr Israel Noko - Board member effective 4 June 2014 and resigned effective 30 January 2019

7 Ms Sarah Louw - Board member effective 4 June 2014 and resigned effective 23 April 2018

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.

Names of the Members	Constituency	Role	Date Appointed
Ms Samantha Anthony	Organised Labour	Chairperson	01 April 2018
Mr Dean Retief	Organised Employer	Member	01 April 2018 ⁸
Ms Myenthrée Moodley	Organised Employer	Member	01 April 2018
Ms Sabi Padi	Community Organisation	Member	01 April 2018
Mr David Cedras	Organised Labour	Member	01 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.

Names of the Members	Constituency	Date Appointed
Ms Nalini Maharaj (Chairperson)	Independent	10 September 2018
Mr Charl de Kock (Deputy) Chairperson)	Independent	10 September 2018 ⁹
Ms Susan Yangunya	Independent	10 September 2018
Mr Moses Lekota	Organised Labour	07 May 2018
Ms Vasinthee Moodley	Organised Employer	07 May 2018
Mr Luyanda Mangquku	Independent	20 February 2020 ¹⁰

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 October 2019).

8 Mr Dean Retief - Resigned effective 31 July 2019

9 Mr Charl de Kock - Resigned effective 22 August 2019

10 Mr Luyanda Mangquku - Appointed effective 20 February 2020

Names of the Members	Constituency	Role	Date Appointed
Ms Nosipho Mia Makhanya	Independent	Chairperson	07 May 2018
Mr Israel Noko	Organised Employer	Member	07 May 2018 ¹¹
Dr Lucy Voss Price	Organised Employer	Member	07 May 2018 ¹²
Ms Myenthrree Moodley	Organised Employer	Member	14 January 2020 ¹³
Mr Joe Kokela	Organised Labour	Member	07 May 2018
Ms Noxolo Jonas	Organised Labour	Member	07 May 2018
Ms Lebogang Selepe	Organised Labour	Member	31 October 2019

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 Governance and Strategy experience quorum challenges since January 2019).

Names of the Members	Constituency	Role	Date Appointed
Mr Israel Noko	Organised Employer	Acting Chairperson	26 September 2018 ¹⁴
Mr Malesela Maleka	Community Organisation	Member	26 September 2018 ¹⁵
Ms Lebogang Selepe	Organised Labour	Member	26 September 2018 ¹⁶

BOARD AND COMMITTEE MEMBER REMUNERATION

Board and Committee members are not staff members of the BANKSETA. The fees are 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 fees approved by the Minister of Higher Education and Training, Science and Innovation are 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 the Department of Higher Education, Science and Technology.

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

Meeting fees 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.

11 Mr Israel Noko – Resigned effective 30 January 2019

12 Dr Lucy Voss Price – Resigned effective 31 December 2019

13 Ms Myenthrree Moodley – Appointed effective 14 January 2020

14 Mr Israel Noko - Resigned effective 30 January 2019

15 Mr Malesela Maleka - Unable to attend meetings due to ill-health

16 Ms Lebogang Selepe - Joined the Executive Committee effective 31 October 2019 due to Governance and Strategy Committee quorum challenge

BOARD MEMBER REMUNERATION (INCLUDING ANY FEES RELATED TO INTERVIEWS, SPECIAL TELECONFERENCE AND SPECIAL BOARD MEETINGS):

Names of the Members	Constituency	Role	Meeting Fee (R'000)	Attendance	¹⁷ Fees for attended ad-hoc meetings
Ms Nosipho Mia Makhanya	Independent Member	Independent Chairperson	136	7/7	123
Ms Sabi Padi	Community Organisation	Member	143	7/7	-
Mr Malesela Maleka	Community Organisation	Member	-	0/7	-
Mr Moses Lekota	Organised Labour	Member	107	5/7	5
Mr Joe Kokela	Organised Labour	Member	96	5/7	2
Ms Samantha Anthony	Organised Labour	Member	127	7/7	55
Ms Lebogang Selepe	Organised Labour	Member	103	6/7	4
Mr David Cedras	Organised Labour	Member	132	7/7	-
Ms Noxolo Jonas	Organised Labour	Member	134	7/7	-
Ms Myenthrree Moodley	Organised Employer	Member	167	5/7	8
Ms Vasithnee Moodley	Organised Employer	Member	131	7/7	5
¹⁸ Mr Dean Retief	Organised Employer	Member	-	0/7	-
¹⁹ Dr Lucy Voss Price	Organised Employer	Member	50	4/7	3
²⁰ Mr Israel Noko	Organised Employer	Member	-	0/7	-
²¹ Ms Sara Louw	Organised Employer	Member	-	0/7	-

17 Fees for attended ad-hoc meetings - Ad-hoc cost include due diligence exercise conducted in the 2019/2020 financial year to ensure continuous improvement in processes.

18 Mr Dean Retief - Resigned effective 31 July 2019

19 Dr Lucy Voss Price - Resigned effective 31 December 2019

20 Mr Israel Noko - Resigned effective 30 January 2019

21 Ms Sara Louw - Resigned effective 23 April 2018

FINANCE AND REMUNERATION COMMITTEE MEMBER MEETING FEES (INCLUDING SPECIAL TELECONFERENCE AND SPECIAL BOARD MEETINGS)

Names of the Members	Constituency	Role	Meeting Fee (R'000)	Attendance
Ms Samantha Anthony	Organised Labour	Chairperson	71	5/5
Mr David Cedras	Organised Labour	Member	50	4/5
Ms Sabi Padi	Community Organisation	Member	65	5/5
Ms Myenthree Moodley	Organised Employer	Member	101	5/5
²² Mr Dean Retief	Organised Employer	Member	-	0/5

AUDIT AND RISK COMMITTEE MEMBER MEETING FEES (INCLUDING SPECIAL COMMITTEE AND SPECIAL TELECONFERENCE MEETINGS)

Names of the Members	Constituency	Role	Meeting Fee (R'000)	Attendance	Fees for attended Board meetings	²³ Fees for attended ad-hoc meetings
Ms Nalini Maharaj	Independent	Chairperson	104	6/6	130	193
²⁴ Mr Charl de Kock	Independent	Deputy Chairperson	33	2/6	24	5
Ms Susan Yangunya	Independent	Member	76	6/6	25	-
Ms Moses Lekota	Organised Labour	Member	78	6/6	-	-
Ms Vasinthee Moodley	Organised Employer	Member	81	6/6	-	-
²⁵ Mr Luyanda Mangquku	Independent	Member	9	1/6	-	4

²² Mr Dean Retief - Resigned effective 31 July 2019

²³ Fees for attended ad-hoc meetings - Ad-hoc cost include due diligence exercise conducted in the 2019/2020 financial year to ensure continuous improvement in processes.

²⁴ Mr Charl de Kock - Resigned effective 31 July 2019

²⁵ Mr Luyanda Mangquku - Appointed effective 20 February 2020

EXECUTIVE COMMITTEE MEMBER MEETING FEES (INCLUDING FEES FOR SPECIAL MEETINGS CONDUCTED):

Names of the Members	Constituency	Role	Meeting Fee (R'000)	Attendance
Ms Nosipho Mia Makhanya	Independent	Chairperson	68	5/5
Mr Joe Kokela	Organised Labour	Member	53	5/5
Ms Noxolo Jonas	Organised Labour	Member	53	5/5
²⁶ Dr Lucy Voss Price	Organised Employer	Member	27	3/5
²⁷ Ms Lebogang Selepe	Organised Labour	Member	9	1/5
²⁸ Ms Myenthrree Moodley	Organised Employer	Member	17	2/5

GOVERNANCE AND STRATEGY COMMITTEE MEMBER MEETING FEES:

Names of the Members	Constituency	Role	Meeting Fee (R'000)	Attendance
Mr Israel Noko	Organised Employer	Acting Chairperson	-	0 ²⁹
Ms Lebogang Selepe	Organised Labour	Member	-	0 ³⁰
Mr Malesela Maleka	Community Organisation	Member	-	0 ³¹

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;

26 Dr Lucy Voss Price - Resigned effective 31 December 2019

27 Ms Lebogang Selepe - Joined the Executive Committee effective 31 October 2019

28 Ms Myenthrree Moodley - Appointed as the Executive Committee member effective 14 January 2020

29 Mr Israel Noko - No meetings held due to quorum challenges.

30 Ms Lebogang Selepe - No meetings held due to quorum challenges.

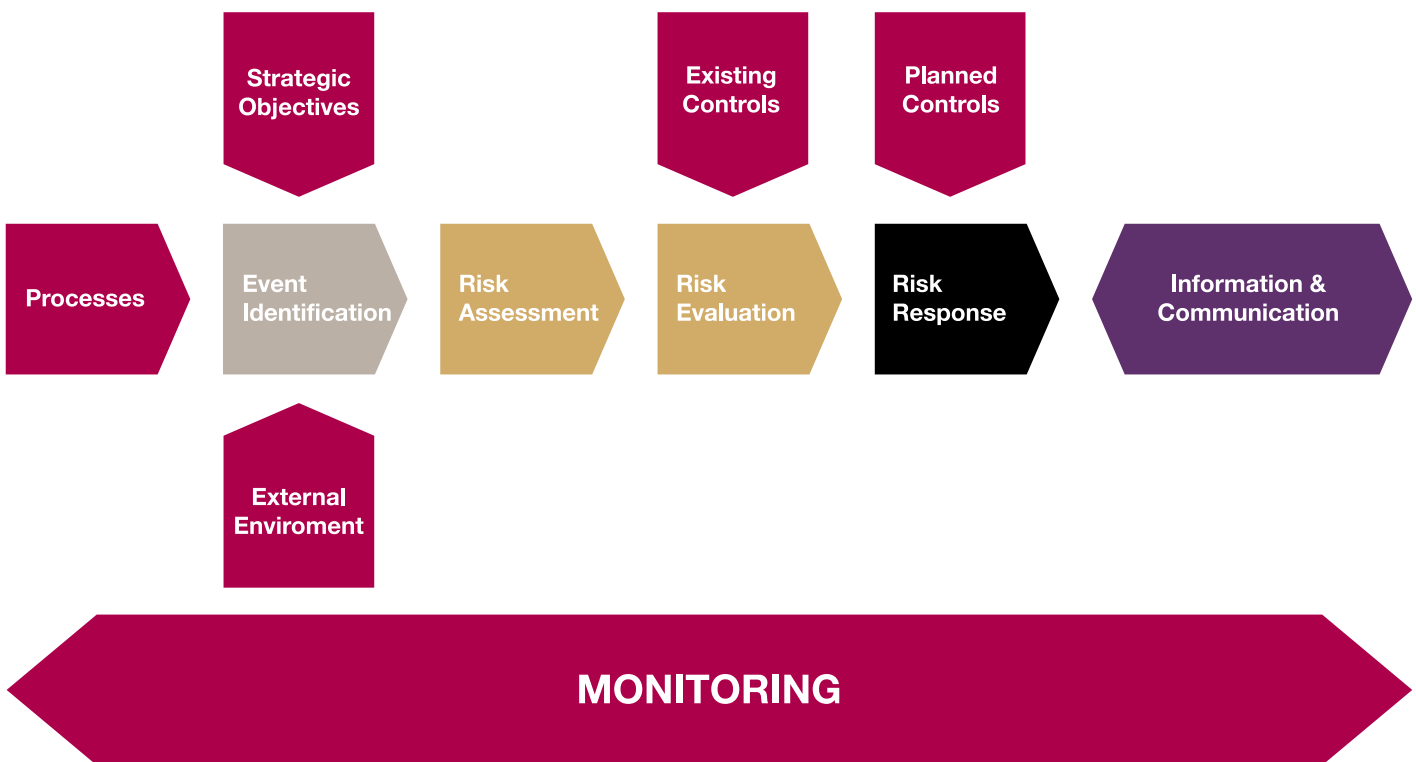
31 Mr Malesela Maleka - No meetings held due to quorum challenges.

- 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 practiced by all staff in their day-to-day activities and risk management will be included as a key performance area 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 2019/2020

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.

BANKSETA Internal Audit has been insourced from March 2016 and the 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.

Internal Audit Coverage for 2019-2020 (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 – 2019/2020 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
 - 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 Strategy and Plan, to ensure there is consistent focus on adhering to compliance responsibilities. During the 2019/2020 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 Whistle-blower 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. No reports on fraud were noted during the 2019/2020 financial year.
 - o Formal declaration of interests is 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, 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 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 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 2019/20 financial year.

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. The organisation 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 01 April 2019 and also the financial performance and summary cash flow for the year ending 31 March 2020. 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 audit and risk committee hereby presents the report of the financial year ended 31 March 2020.

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. The current committee reviewing the 2019/20 audit was appointed after the last committee term expired.

AUDIT AND RISK COMMITTEE MEMBERS 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 six (6) meetings were held:

NAME OF MEMBER	NUMBERS OF MEETINGS ATTENDED
Ms Nalini Maharaj - Independent Chairperson	10
Mr Charl de Kock - Deputy Independent Chairperson (resigned effective 31 July 2019)	4
Ms Susan Yanguya - Independent Member	10
Mr Moses Malesela Lekota - Board Member	10
Ms Vasinthee Moodley - Board Member	10
Mr Luyanda Mangquku (appointed effective 20 February 2020)	1

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;

- Financial Discipline (incl. Travel expenditure & Investments)
- Supply Chain Management (incl. Contract Management)
- Mandatory Grants and Revenue
- Annual Performance Plan and Strategic Plan (APP & SP)
- Discretionary Grants
- Commitments
- Fraud Prevention Review
- Asset Management
- Governance and Compliance
- Annual Performance Report
- Annual Financial Statements Quality Review
- Annual Financial Statements Quality Review

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

- Review and discussion of the audited / unaudited annual financial statements to be included in the annual report, with the Auditor-General and the Chief Executive Officer
- Review of the Auditor-General's management report and management's response thereto
- Review of any changes in accounting policies and practices
- Review of the entity's compliance with legal and regulatory provisions
- Review of the information on predetermined objectives to be included in the annual report
- Review of any significant adjustments resulting from the audit
- The quality and timeliness of the financial information availed to the audit committee for oversight purposes during the year such as interim financial statements
- 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.

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

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 the Audit and Risk Committee
(Assigned as a signatory)**

BANKSETA

Date: 30 September 2020



GOVERNANCE STRUCTURE

2020 -2025 BOARD MEMBERS



Board Chairperson
Ms. Nosipho 'Mia' Makhanya



Organised Employer
Dr. Roze Phillips



Organised Employer
Ms. Mmathema Matle



Organised Employer
Ms. Leonie van Pletzen



Organised Employer
Dr. Phumudzo Siphuma



Community
Dr. Ntombana Segaphane



Organised Labour
Mr. Moses Lekota



Organised Labour
Mr. Phillip Landman



Organised Labour
Ms. Lebogang Selepe



Community
Mr. Proatas Mhlongo



Organised Labour
Ms. Venessa Hattingh



Organised Labour
Mr. David Cedras



Organised Employer
Ms. Myenthrée Moodley



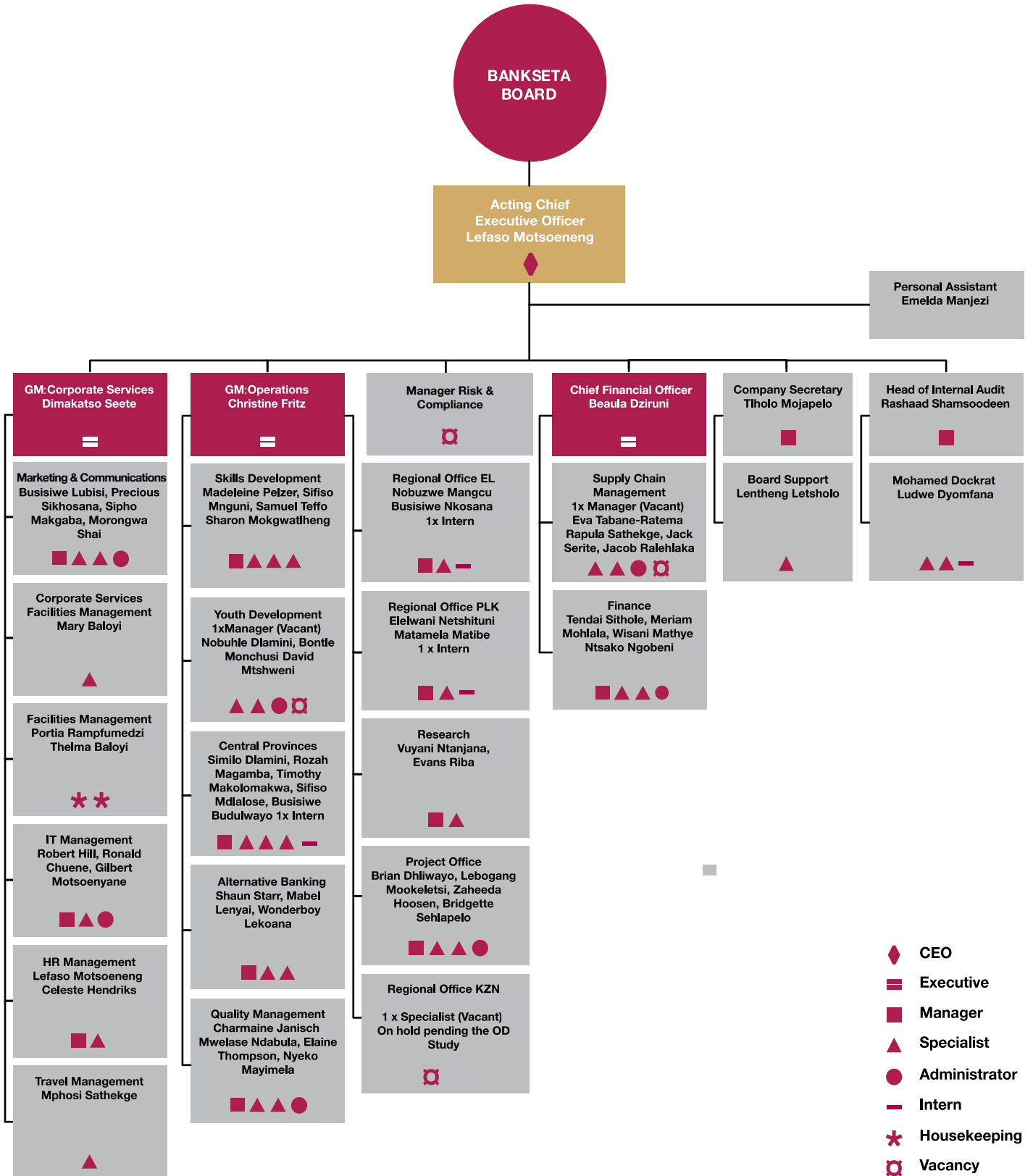
Organised Labour
Mr. Brigate Nyakane



PART D:

HUMAN RESOURCES OVERVIEW

ORGANOGRAM



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 60 staff members while four of those became vacant.

INVESTORS IN PEOPLE

The BANKSETA characterizes itself as an "Investor in People" organisation.

The BANKSETA prospers from implementing good people practices. We are dedicated to developing our people in the name of fulfilling organisational goals.

Implemented by government to upskill the South African workforce and now held solely and officially by Awakening Excellence, Investors in People South Africa has worked with over 200 organisations, helping to drive business forward through the achievement of people management excellence. In achieving the Standard, organisations like Sanlam Personal Finance, the City Lodge Group and the AdvTech Schools Group and the BANKSETA are among those within the Investors in People global community that are, and continue to be, internationally recognised for people management excellence.

Transformation includes promotion of educational, economic, and cultural equity with respect for the value of diversity. People development signifies the wide range of educational Programmes the SETA develop and monitors. In conjunction with its business and educational partners, the BANKSETA guarantees courses and teachers' strict compliance with the National Qualifications Framework.

EMPLOYEE WELLNESS

Employees thriving in wellbeing are more than twice as likely to say they always adapt well to change.

The BANKSETA prides itself to declare that employee wellness is just as (if not more) important than interpersonal relationships and excellence in service to our external stakeholders. Therefore, we have contracted the services of, amongst others, ICAS SA.

ICAS' Employee Health and Wellness Programmes empower our employees to take control of their wellbeing, reducing problems at home and work and facilitating higher levels of productivity.

Our business and your workforce are constantly changing and evolving, which is why everything they do for us is tailored to change and evolve along with our organisation.

ICAS provides a national footprint of health professionals, counsellors, musculoskeletal occupational therapists, social workers and more.

They cater to programme users all over the country and in all sectors. They have been industry leaders and innovators since 1996 and they currently manage the wellness needs of over a million SA households. The scale and heritage of ICAS' operations guarantee that their services are backed and provided by highly skilled and qualified professionals.

ICAS' services integrate seamlessly, providing holistic interventions that approach and solve problems from every angle. They have a multi-disciplinary team that includes occupational therapists, physiotherapists, psychologists, nurses, doctors and a medical review panel which are readily available.

POLICY AND PROCEDURE DEVELOPMENT WITHIN HUMAN RESOURCES

HR Policies and Procedures are essential, as they provide structure, control, consistency, fairness, and reasonableness within Human Resources and the organisation as a whole. They also ensure compliance with employment legislation and inform employees of their responsibilities and the organisation's expectations.

The BANKSETA, in recognition of the above, has reviewed its Human Resources Policies and Procedures and is in the process of approving the Human Resource Manual for roll-out.

EMPLOYEE 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	6 439	16.81	4	1 610
Professional qualified	11 775	30.75	14	841
Skilled	17 786	46.45	33	539
Semi-skilled	1 983	5.17	7	283
Unskilled	307	0.80	2	153
Total	38 290	100%	60	638

PERFORMANCE REWARDS

Occupational Level	No. of employees	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Senior Management	3	1 310	3.42%
Professional qualified	13	2 921	7.63%
Skilled	34	4 217	11.01%
Semi-skilled	7	307	0.80%
Unskilled	2	51	0.13%
Total	57	8 807	23%

EMPLOYMENT EQUITY

Headcount, & Appointments March									
	Male	Female	Total	African	Coloured	Indian	White	Foreign	Total
Headcount	27	33	60	47	3	3	4	3	60
Appointment	0	0	0	0	0	0	0	0	0
Promotions/Internal mobility	0	0	0	0	0	0	0	0	0
Total	27	33	60	47	3	3	4	3	60

DISABILITY

Disabled	0	0	0	0	1	0	0	0	0	0	0	1.66%
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SKILLS DEVELOPMENT EXPENDITURE

Skills Development Budget	Personnel Expenditure Cost (R'000)	Training Expenditure Cost (R'000)	Training expenditure as a percentage of personnel	No. of trained Employees	Average training cost per employee (R'000)
	38 290	1 086	2.84%	60	18097

EMPLOYMENT AND VACANCIES

OCCUPATIONAL LEVELS	APPOINTMENTS	TERMINATIONS	VACANCIES
Senior Management	0	0	0
Professionals	3	2	3
Skilled	4	2	1
Semi-Skilled	2	0	0
Unskilled	0	0	0
Total	9	4	4

REASONS FOR STAFF LEAVING

DEATH	RESIGNATION- PERSONAL/ CONTRACT EXPIRED	ILL-HEALTH	RETIREMENT	MISCONDUCT
0	5	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

PART E:

ANNUAL FINANCIAL INFORMATION

373 967
804 029
1 296 731
1 859 317
2 499 808
3 227 076
4 050 935
R 28 331

STATEMENT OF FINANCIAL RESPONSIBILITY

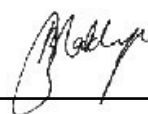
Banking Sector Education and Training Authority Annual Financial Statements for the year ended 31 March 2020.

AUDITED

The Annual Financial Statements for the year ended 31 March 2020, set out on pages 125 to 189, have been approved by the Accounting Authority on 28 September 2020 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:



ACTING CHIEF EXECUTIVE OFFICER
Mr. Lefaso Motsoeneng
30 September 2020



CHAIRPERSON OF THE BOARD
Ms. Nosipho Makhanya
30 September 2020



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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE 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 set out on pages 125 to 189 which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amount 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 2020, and its financial performance and cash flows for the year then ended in accordance with the standards of the Generally Recognised Accounting Practices (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999(Act No. 1 of 1999)(PFMA) 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 Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as 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 matter

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

Events after the reporting period

7. I draw attention to note 26 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on public entity's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Responsibilities of the accounting authority for the financial statements

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

Auditor-general's responsibilities for the audit of the financial statements

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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of 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 included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do 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 2020:

Programmes	Pages in the annual performance report
Programme 3 - learning programmes	64 - 87

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.

Programme 3 - learning programmes

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 — learning programmes

Other matter

17. I draw attention to the matters below

Achievement of planned targets

18. Refer to the annual performance report on pages 47 to 94 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

Adjustment of material misstatements

19. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 3: Learning programme. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

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

Expenditure Management

22. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 767 000 as disclosed in note 18 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report
28. The entity did not have adequate review and monitoring processes in place to prevent non-compliance with applicable legislations, which resulted in irregular expenditure being incurred.

Auditor-General

Pretoria
30 September 2020



AUDITOR-GENERAL

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 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 relating to events or conditions that may cast significant doubt on the ability of the Banking Sector Education and Training Authority to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also 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, actions taken to eliminate threats or safeguards applied.

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Skills development levy: income from non-exchange transactions	2	839 871	802 521
Skills development levy: penalties and interest from non-exchange transactions		13 671	30 373
Total revenue from non-exchange transactions		853 542	832 894
Investment revenue from exchange transactions	3	62 781	50 013
Other revenue from exchange transactions	4	47	86
Total revenue from exchange transactions		62 828	50 099
Total revenue		916 370	882 993
EXPENSES			
Employer grant and project expenses	5	(629 129)	(657 373)
Administration Expenses	6	(81 735)	(75 561)
Total expenses		(710 864)	(732 934)
NET SURPLUS FOR THE YEAR	1	205 506	150 059

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL PERFORMANCE
31 MARCH 2020**

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Non-current assets			
Property and equipment	7	1 421	2 731
Intangible assets	8	577	71
Total non-current assets		1 998	2 802
Current assets			
Receivables from non-exchange transactions	9	867	3 921
Receivables from exchange transactions	10	5 577	4 465
Cash and cash equivalents	11	899 068	724 613
Total current assets		905 512	732 999
Total assets		907 510	735 801
LIABILITIES			
Current liabilities			
Payables from exchange transactions	12	4 054	3 269
Payables from non-exchange transactions	13	22 111	57 995
Provisions	14	12 091	10 789
Total liabilities		38 256	72 053
NET ASSETS		869 254	663 748
NET ASSETS AND LIABILITIES			
Funds and reserves			
Administration reserve		1 998	2 802
Employer grant reserve		115	323
Discretionary reserve		867 141	660 623
TOTAL FUNDS AND RESERVES		869 254	663 748

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Adminis- tration reserve	Employer grant reserve	Discre- tionary reserve	Unappropri- ated surplus / (deficit)	Total
		R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2018		3 218	58	510 411	-	513 687
Net surplus for the period		-	-	-	150 059	150 059
Allocation of unappropriated surplus	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
Net surplus for the period		-	-	-	205 506	205 506
Allocation of unappropriated surplus	1	28 543	5 143	171 820	(205 506)	-
Excess reserves transferred to discretionary reserve		(29 347)	(5 351)	34 698	-	-
BALANCE AT 31 March 2020		1 998	115	867 141	-	869 254

The administration grant reserve carries accumulated reserves allocated to administration expenditure in future years.

An amount of R1 998 thousand (2018/19: R2 802 thousand) is retained in the administration reserve equal to the carrying value of property and equipment, and intangible assets.

The employer grant reserve carries accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years.

An amount of R115 thousand (2018/19: R323 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. Refer to note 16.2 for disclosure of this contingent liability.

The discretionary grant reserve carries accumulated reserves allocated to discretionary grants and project expenses in future years.

All surplus funds of the BANKSETA, except for the amounts left in the administration grant reserve and employer grant reserve are swept to the discretionary grant reserve to fund future skills development.

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from skills development levy; income from non-exchange transactions (Including interest and penalties)		853 545	833 032
Other revenue from exchange transactions		47	206
Cash paid to stakeholders and suppliers		(692 769)	(670 054)
Cash paid for employee costs		(47 330)	(44 821)
Cash generated from operations	15	113 493	118 363
Investment revenue from exchange transactions received	3,1	61 696	49 131
Net cash inflow from operating activities		175 189	167 494
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	7	(136)	(579)
Purchase of intangible assets	8	(598)	(101)
Net cash outflow from investing activities		(734)	(680)
Net increase in cash and cash equivalents		174 455	166 813
Cash and cash equivalents at the beginning of the period	11	724 613	557 799
Cash and cash equivalents at the end of the period	11	899 068	724 613

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Approved Original	budget Adjustments	Final Adjusted Budget	Actual Income/ (Expenditure)	Favourable/ (Unfavourable) variance
		2019/20 R'000	2019/20 R'000	2019/20 R'000	2019/20 R'000	2019/20 R'000
REVENUE						
Skills development levy transfer from non - exchange transactions	27.1	790 400	-	790 400	839 871	49 471
Skills development levy penalties and interest from non - exchange transactions	27.2	-	-	-	13 671	13 671
Investment revenue from exchange transactions	27.3	31 000	-	31 000	62 781	31 781
Other revenue from exchange transactions		-	-	-	47	47
Total Revenue		821 400	-	821 400	916 370	94 970
EXPENSES						
Employer grant expenses	27.4	(191 660)	-	(191 660)	(205 075)	(13 415)
Project expenses	27.5	(556 000)	(297 083)	(853 083)	(424 054)	429 029
Administration expenses	27.6	(103 740)	-	(103 740)	(81 735)	22 005
Total Expenses		(851 400)	(297 083)	(1148 483)	(710 864)	437 619
NET SURPLUS/(DEFICIT) FOR THE PERIOD		(30 000)	(297 083)	(327 083)	205 506	532 589

The adjustment is for the 2018/19 surplus which National Treasury approved that the BANKSETA retain. The Board has approved that this surplus be applied to 2019/20 project expenditure budget to enable more training to be undertaken.

For details regarding the difference between budget and actual income/expenditure refer to Note 27.

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. GOING CONCERN

These Annual Financial Statements were prepared based on the expectation that the BANKSETA will continue to operate as a going concern for at least the next 12 months.

3. SIGNIFICANT JUDGEMENTS, ESTIMATES AND SOURCES OF UNCERTAINTY

In preparing the Annual Financial Statements and application of the BANKSETA's accounting policies, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not apparent from other sources. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include:

3.1 RECEIVABLES FROM EXCHANGE TRANSACTIONS

The entity assesses its trade receivables, held to maturity investments, and loans and receivables for impairment at the end of each financial reporting period. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

3.2 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

The BANKSETA pays mandatory grants to its sector levy-payers based on information from the South African Revenue Services (SARS). Where SARS retrospectively amends the information on levies collected this may result in grants that have been paid to affected levy-payers being in excess of the amount BANKSETA would have granted to those levy-payers had all information been available at the time of payment of those grants. A receivable relating to the overpayments made in prior periods is recognised at the amount of the grant overpayment, net of irrecoverable debts and allowance for irrecoverable amounts.

3.3 PAYABLES FROM EXCHANGE TRANSACTIONS

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

3.4 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

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

3.5 FAIR VALUE ESTIMATION

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the entity for similar financial instruments.

3.6 IMPAIRMENT TESTING

Management has had to make the following judgements in applying criteria to designate assets as non-cash generating assets or cash generating assets. Cash generating assets are assets used with the objective of generating a commercial return. BANKSETA assets are non-cash generating assets.

If the recoverable service amount of a non-cash generating asset is less than its carrying amount, the amount of the asset shall be reduced to its recoverable service amount. That reduction is an impairment loss. An impairment loss shall be recognised immediately in the statement of Financial Performance.

The entity reviews and tests the carrying amount of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairments may have occurred, estimates are prepared of expected future cashflows for each group of assets.

3.7 PROVISIONS

Management raised provisions determined on estimates based on the information available at the date of issue of the Annual Financial Statements. Additional disclosures of these estimates of provisions is included in note 14 - Provisions.

3.8 USEFUL LIVES AND RESIDUAL VALUE OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

The BANKSETA re-assesses the useful lives and residual values of property and equipment on an annual basis. In re-assessing the useful lives and residual values of property and equipment management considers the condition and use of individual assets, to determine the remaining period over which the assets can and will be used.

3.9 COVID-19 RELATED MATTERS

The Covid-19 pandemic and the related declaration of a national disaster, lockdown and associated negative economic effects has raised significant uncertainty in regard to future transactions. Management has made judgements and estimates and determined risks in regard to the impact on its going concern based on estimates and information available to it up to the date of issue of the Financial Statements.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period when the estimate is revised if the revision affects only the that period or in the period of the revision and future period if the revision affects both current and future periods.

4. CURRENCY

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

5. REVENUE RECOGNITION

5.1 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, Science and Technology (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.

5.1.1 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, Science and Technology 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 section 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, Science and Technology.

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.

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 exempt companies, the SETA recognises a payable shown as a provision equaling the SDL received from these possible levy exempt 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 exempt 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, Science and Technology 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.

5.1.2 INTEREST AND PENALTIES

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

5.2 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.

5.2.1 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.

6. 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).

6.1 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.

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

6.2 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.

6.2.1 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.

7. 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 bring 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 useful life, residual value and depreciation method is assessed at each reporting date for appropriateness.

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 |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down 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.

IMPAIRMENT OF ASSETS

Remaining useful lives are reviewed annually at each year end in accordance with the indicator based approach and adjusted as needed. The estimated remaining useful lives 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

The BANKSETA assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, BANKSETA estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less cost of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. The reduction is an impairment cost.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in surplus or deficit in the Statement of Financial Performance.

The BANKSETA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior years for assets still exists or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in the Statement of Financial Performance.

8. 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 and amortisation 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.

9. 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.

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.

10. 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.

11. EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve 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 twelve months after the end of the reporting period in which the employees render the related employee service;
- incentive and performance related bonuses payable within twelve 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.
- 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.

12. 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.

13. 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.

13.1 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.

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.

13.2 PROVISION FOR IRRECOVERABLE DEBTS

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. Irrecoverable debts are provided during the year in which they are identified. Approval for the writing-off of irrecoverable debtors, or any loss of money, are 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.

13.2 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:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Trade and other payables from non- exchange transactions	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.

13.3 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 unamortized costs, and the amount paid for it is included in net surplus or deficit for the period.

14. 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' 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.

15. 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:

	2019/20	2018/19
	%	%
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 terms of section 4(4) of the SETA grant regulations, the Minister determines the percentages for mandatory and discretionary levies and grants in consultation with the sector. In 2012, the Minister changes the mandatory grant and levy percentage from 50% to 20%. In October 2019, the courts set aside the department's 2012 decision to decrease the mandatory grant and levies portion from 50% to 20%. The courts did not set the new mandatory percentage to be applied from the court decision date onwards. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory levy or grant percentage.

DHET continued to show the mandatory levy portion as 20% in the 2019/20 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in the 2019/20 year in the absence of the revised percentage, as 20% is the amount aligned to the approved annual performance plan. The SETA board has ratified the utilisation of 20% while awaiting the Minister's decision.

The mandatory grants expenditure in Note 5 as well as the mandatory grant liability in note 13 were calculated using the mandatory grant percentage of 20%.

The BANKSETA also discloses a contingent liability (Note 16.3) in regard to the amount of the mandatory grant payable to qualifying levy payers.

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.

The administration grant reserve carry accumulated reserves allocated to administration expenditure in future years.

The employer grant reserve carry accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years.

The discretionary grant reserve carry accumulated reserves allocated to discretionary grants and project expenses in future years.

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.

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

17. 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.

Only transactions with related parties where the transactions are not concluded within the normal operating procedures or on terms that are no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

18. 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.
- 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 2019 to 31 March 2020 and has been prepared on the accrual basis of accounting.

19. 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
- 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 where-ever recovered in the same accounting period, it is shown net of any recoveries. Where-ever it is recovered in a subsequent financial year, it is accounted for against the expense if the project is not completed or as revenue in the statement of financial performance if the project is completed.

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

Fruitless expenditure is condoned by the Accounting Authority only.

20. COMPARATIVE FIGURES

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

21. 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.

22. 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.

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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

		Employer grants reserve	Discretionary reserve		
	Total per Statement of Financial Performance R'000 2019/20	Administration reserve R'000 2019/20	Mandatory skills grant R'000 2019/20	Total discretionary R'000 2019/20	Total per Statement of Financial Performance R'000 2018/19
Total revenue	916 370	110 278	210 218	595 874	882 993
Skills development levy: income from non-exchange transactions					
Admin levy income (10,5%)	110 231	110 231	-	-	105 457
Grant levy income (69,5%)	729 640	-	210 218	519 422	697 064
Skills development levy: penalties and interest from non-exchange transactions	13 671	-	-	13 671	30 373
Investment revenue from exchange transactions	62 781	-	-	62 781	50 013
Other revenue from exchange transactions	47	47	-	-	86
Total expenses	(710 864)	(81 735)	(205 075)	(424 054)	(732 934)
Administration expenses	(81 735)	(81 735)	-	-	(75 561)
Employer grants and project expenses	(629 129)	-	(205 075)	(424 054)	(657 373)
Net Surplus per Statement of Financial Performance allocated	205 506	28 543	5 143	171 820	150 059

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2. SKILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS

	2019/20	2018/19
	R'000	R'000
The total levy income per the Statement of Financial Performance is as follows:		
Levy income: Administration	110 231	105 457
Levies received	110 231	105 451
Levies received from SARS	110 179	105 444
InterSETA transfers in	52	7
InterSETA transfers out	-	-
Levies accrued	-	6
Levy income: Employer Grants	210 218	193 035
Levies received	210 219	192 937
Levies received from SARS	209 972	192 924
InterSETA transfers in	247	13
InterSETA transfers out	-	-
Levies accrued	(1)	98
Levy income: Discretionary Grants	519 422	504 029
Levies received from SARS	519 424	504 078
Levies received	519 324	504 048
InterSETA transfers in	100	30
InterSETA transfers out	-	-
Levies accrued	(2)	(49)
	839 871	802 521

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

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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3. INVESTMENT REVENUE FROM EXCHANGE TRANSACTIONS

	2019/20	2018/19
	R'000	R'000
Interest Revenue		
Interest revenue from current year received in cash during the year	57 767	46 084
Interest revenue receivable at year end	5 014	3 929
	62 781	50 013
3.1. Cashflow from interest revenue		
Interest inflow recognised as interest revenue in current year received as cash during the year	57 767	46 084
Interest inflow recognised as interest revenue in prior year received as cash during the current year	3 929	3 047
	61 696	49 131

4. OTHER REVENUE

	2019/20	2018/19
	R'000	R'000
Other Revenue comprises:		
Gain on disposal of assets	-	11
Mandatory grants received	47	75
	47	86

5. EMPLOYER GRANT AND PROJECT EXPENSES

		2019/20	2018/19
		R'000	R'000
Mandatory grants		205 075	187 921
Disbursed		189 024	198 842
Provisions and accruals	17.1	16 051	(10 921)
Project expenditure		424 054	469 452 *
Total employer grant and project expenses per Statement of Financial Performance		629 129	657 373

Project expenditure comprises of training grants to stakeholders and higher education institutions, bursaries, stipends and training and project related admin expenses. Refer to note 17 for more detailed information on these projects.

* prior year figures disclosure changed to be in line with current year presentation.

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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6. ADMINISTRATION EXPENSES

		2019/20	2018/19
		R'000	R'000
Depreciation/Amortisation		1 538	1 096
Depreciation		1 446	915
Amortisation		92	181
Operating lease rentals (minimum lease payments)		3 437	3 285
Buildings		3 254	3 099
Equipment		183	186
Maintenance, repairs and running costs - other		432	250
Foreign Exchange Loss		-	(1)
Advertising, marketing and promotions, communication		2 276	3 233
Catering at stakeholder meetings		322	229
Service provider fees		5 031	3 820
Legal fees		1 178	423
Cost of employment	6,1	49 127	44 964 *
Travel and subsistence		724	868
Staff training and development		1 086	549
Remuneration to members of the Accounting Authority and committees		2 797	2 654
Audit Fees		3 097	1 994
External Audit Fees		2 865	1 926
Internal audit fees		232	68
Allowance for irrecoverable debts		203	275
Other		10 487	11 922 *
Other administration expenses		2 751	1 991 *
Consultancy fees		853	321
Telephone costs		787	1 269
Workshops		574	691
Printing and stationery		202	228
Research costs		20	2 537
Quality Council for Trade and Occupations	22.2	5 300	4 885
		81 735	75 624

*prior year presentation adjust to align to current year presentation

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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6. ADMINISTRATION EXPENSES

6.1 Cost of employment

	2019/20	2018/19
	R'000	R'000
Salaries and wages	42 735	39 147
Basic salaries	32 511	29 264
Performance awards	7 720	8 216
Allowances	495	345
Temporary staff	545	442
Leave payments	1 464	880
Social contributions	6 392	5 817
Medical aid contributions	1 370	1 173
Pension contributions: defined contribution plans	4 132	3 760
Risk cover contributions	376	314
Skills Development Levies	395	376
Workmen's Compensation	14	93
UIF	105	102
	49 127	44 964 *
Allocation of cost of employment		
Administration expenses	49 127	44 964
Average number of employees	59	58

Refer to the report by the Accounting Authority for disclosure of the Accounting Authority members. Note 22 details the emoluments of members of the Accounting Authority, independent board committee members and the Executive management group.

* prior year presentation adjust to align to current year presentation

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7. PROPERTY AND EQUIPMENT

	Cost	Accumulated depreciation	Closing carrying amount
Year ended 31 March 2020	R'000	R'000	R'000
Computer equipment	2 242	(2 022)	220
Office furniture and fittings	1 953	(1 204)	749
Office equipment	1 663	(1 211)	452
Leasehold improvements	2 649	(2 649)	-
Balance at end of period	8 507	(7 086)	1 421
Made up as follows:			
- Owned assets	8 507	(7 086)	1 421

	Cost	Accumulated depreciation	Closing carrying amount
Year ended 31 March 2019	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

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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7. PROPERTY AND EQUIPMENT

Movement summary 2019/20

	Carrying amount 2019	Additions	Disposals	Depreciation	Carrying amount 2020
	R'000	R'000	R'000	R'000	R'000
	515	-	-	(295)	220
Office furniture and fittings	852	41	-	(144)	749
Office equipment	525	95	-	(168)	452
Leasehold improvements	839	-	-	(839)	-
Balance at end of period	2 731	136	-	(1 446)	1 421

Movement summary 2018/19

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

BANKSETA had no repairs and maintenance expenditure on these assets.

The BANKSETA has no contractual commitments for acquisitions of property and equipment.

BANKSETA has no restriction or encumbrances on their assets

THE FOLLOWING USEFUL LIVES ARE USED IN THE CALCULATION OF DEPRECIATION.

CATEGORY	USEFUL LIVES	DEPRECIATION RATE
- Computer equipment	3 - 10 years	33.33% to 10%
- Office furniture and fittings	10 - 21 years	10% to 4.7%
- Office equipment	5 to 10 years	20% to 10%
- Leasehold improvements	over the lease term	

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 - 20 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
Year ended 31 March 2020	R'000	R'000	R'000	R'000
Computer equipment	-	14	(309)	(295)
Office furniture and fittings	-	11	(155)	(144)
Office equipment	-	28	(196)	(168)
Leasehold improvements	-	-	(839)	(839)
Balance at end of period	-	53	(1 499)	(1 446)

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.

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8. INTANGIBLE ASSETS

	Cost	Accumulated amortisation	Closing carrying amount
	R'000	R'000	R'000
Year ended 31 March 2020			
Application software	1 309	(732)	577
Balance at end of period	1 309	(732)	577
Made up as follows:			
- Owned assets	1 309	(732)	577

	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

Movement summary 2019/20

	Carrying amount 2019	Additions	Disposals	Amortisation	Carrying amount 2020
	R'000	R'000	R'000	R'000	R'000
Application software	71	598	-	(92)	577

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

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 fixed asset register is available at the BANKSETA's registered office for inspection. BANKSETA incurred no repairs and maintenance expenditure on these assets. The BANKSETA has no contractual commitments for acquisitions of intangible assets. BANKSETA has no restriction or encumbrances on their assets

THE FOLLOWING USEFUL LIVES ARE USED IN THE CALCULATION OF AMORTISATION

USEFUL LIVES

2 years (Unless license period is different)

DEPRECIATION RATE - Application software

50% p.a

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9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Note	2019/20	2018/19
		R'000	R'000
InterSETA debtors	22	-	50
Employer receivables	9,1	867	3 871
		867	3 921

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

9.1 Employer receivable

Employer receivable

Overpayment to employers		1 397	4 198
Allowance for impairment		(530)	(327)
Net effect of SARS retrospective adjustments on affected employers		867	3 871

R1,397 thousand employer receivables (2018/19: R4,198 thousand) was recognised as a receivable relating to the overpayment to the employers in earlier periods, and is based on the amount of such grant over payments.

Of the R1 397 thousand employer receivables amount, R530 thousand is impaired and R867 thousand is not impaired

Reconciliation of impairment allowance on employer receivable

Opening balance : Impairment of employer receivable		(327)	(52)
Change In estimate		-	-
Addition		(203)	(275)
Recovered/reversed		-	-
Closing balance : impairment allowance on employer receivable		(530)	(327)

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2019/20	2018/19
	R'000	R'000
SARS receivable		
Deposits	438	412
Staff advances and payroll receivables	101	58
Interest receivables	5 014	3 929
Other receivables	24	65
	5 577	4 465

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

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:

	2019/20	2018/19
	R'000	R'000
Cash at bank and on hand	33 374	53 940
Cash at bank	33 372	53 939
Cash on hand	2	1
Short term investments/instruments	865 694	670 673
Cash and cash equivalents at end of year	899 068	724 613

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 7.24% (2018/19: 7.29%).

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.

12. PAYABLES FROM EXCHANGE TRANSACTIONS

	2019/20	2018/19
	R'000	R'000
Salary related payables	305	244
Sundry payables	3 749	3 025
Trade payables	1 401	989
Other accrued expenses	444	798
Leave accrual	1 889	1 222
Sundry creditors	15	15
	4 054	3 269

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

13. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2019/20	2018/19
	R'000	R'000
Skills development grants payable - mandatory	14 677	15 415
Employer payables	136	43
Project Creditors	7 298	42 537
	22 111	57 995

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

14. PROVISIONS

	Opening balance	Over/under provision	Addition	Paid/reversed or transferred to discretionary levies income during the year	Closing balance
2019/20					
Levies incorrectly received*	1 491	-	4	-	1 495
Provision for incentive bonus**	9 018	(1 087)	8 807	(6 196)	10 542
Provision for acting allowances***	280	-	625	(851)	54
	10 790	(1 087)	9 436	(7 048)	12 091
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)	9 243	(8 062)	10 789

* 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.

** The quantum and timing of payment incentive bonus will be considered and approved by the board subsequent to year-end. The BANKSETA policy provides for payments of bonus by 30 September of the following year. However due to the requirement for a board decision the timing is uncertain.

*** Acting allowances in terms of the HR Policy approved by the board. The timing of this is uncertain as it previously depended on board decisions.

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

	Note	2019/20	2018/19
		R'000	R'000
Net surplus as per Statement of Financial Performance		205 506	150 059
Adjusted for non-cash items:			
Depreciation/amortisation		1 538	1 096
Allowance for irrecoverable debts		203	275
Interest accrued at year end		(5 014)	(3 929)
Foreign exchange gain		-	1
Adjusted for items separately disclosed			
Interest received	3.1	(61 696)	(49 131)
Adjusted for working capital changes:			
(Increase)/decrease in receivables from exchange transactions		3 902	2 916
(Increase)/decrease in receivables from non-exchange transactions		2 850	3 940
(Decrease)/Increase in payables and provisions		(33 796)	13 136
Cash generated from operations		113 493	118 363

Prior year presentation changed to be in line with current year presentation.

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. On 2 September 2020, National Treasury gazetted National Treasury instruction no 12 of 2020, whose application has been applied retrospectively to 31 March 2020. The surplus for 2019/20 is presented in line with the new legislation.

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

	Note	2019/20 R'000	2018/19 R'000
		899 068	724 613
Add: receivables		6 444	8 385
Less: current liabilities		(38 256)	(72 053)
Total surplus per current legislation		867 256	660 945 *
Less: commitments	17,1	(337 064)	(363 862)
Surplus as calculated in prior year		530 192	297 083 *

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

Commitments are contractual obligations of the SETA. The new legislation applied to surpluses as at 31 March 2020 does not provide for deduction of commitments.

The SETA is looking into additional skills development programmes as well as increasing the intake of other skills development programmes in excess of targets to utilise these surpluses.

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 R115 thousand (2018/19:R323 thousand) will be payable. The amount is contingent on the number of submissions received and approved.

16.3 Contingent liability

In terms of section 4(4) of the SETA grant regulations, the Minister determines the percentages for mandatory and descretionary levies and grants in consultation with the sector. In 2012, the Minister changes the mandatory grant and levy percentage from 50% to 20%. In October 2019, the courts set aside the departments 2012 decision to decrease the mandatory grant and levies portion from 50% to 20%. The courts did not set the new mandatory percentage to be applied from the court decision date onwards. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory levy or grant percentage.

The effect of the ruling is that the Minister would have to decide on the percentage for mandatory levies and grants in consultation with the sector.

The Minister has not yet made the decision in regard to the mandatory levy or grant percentage.

DHET continued to show the mandatory levies portion as 20% in 2019/20 year in the levy download information.

The SETA continued to pay and accrue mandatory grants at 20% in the 2019/20 financial year in the absence of a revised percentage, as the 20% level is aligned to the approved annual performance plan. The board ratified the decision to continue to use the 20% level whilst awaiting the Minister's decision.

The mandatory levy income in note 2 and the mandatory grant expenditure in Note 5 as well as the mandatory grant liability in note 13 were calculated using mandatory levy and grant percentage of 20%.

The SETA therefore discloses a contingent liability in regard to the amount of the mandatory grants payable to qualifying levy payers.

This is disclosed as a liability as the intention of the litigants, BUSA, was to increase the mandatory grant percentage from 20%.

The timing of this contingent liability is uncertain .

Currently the department is in discussions with BUSA in regard to the mandatory grant percentage.

The amount cannot be determined as no percentage has yet been declared by the Minister.

Estimates based on various scenarios are as follows:

If New Mandatory Grant and levy percentage is Determined At	Level of the Contingent Liability As At 31 March 2020 if mandatory Grant Change was effective from October 2019 (R000s)
a) 50%	151 661
b) 35%	75 830
c) 25%	25 277

The BANKSETA has sufficient reserves to cover such contingent amounts.

Should the outcome be that the BANKSETA must pay mandatory grants at a higher level for 2019/20, the BANKSETA would have to seek National Treasury approval to access its own reserves to cover the payments.

17.COMMITMENTS

17.1 Discretionary reserve

Of the balance of R867 142 thousand (2018/19: R660 623 thousand) available in the discretionary reserve as at year-end, R337 064 thousand (2018/19: R363 862 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.

17. COMMITMENTS

Project Name	Project number	Opening balance 31 March 2018	New Commitments Approved by Authorising Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Opening Balance 31 March 2019	New Commitments Approved by Authorising Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: QUALITY ASSURANCE

QCTO Pilot Project	246	130	-	(130)	-	-	-	-	-	-
Provision for General Management	594	-	-	-	-	-	-	-	-	-
Assessment Centre for RPL	621	1 176	-	(1 176)	-	-	450	(265)	-	185
Assessment centre	620	1 262	741	(963)	(299)	741	-	(281)	-	460
Update FBS Fit & Proper Manual	643	260	-	(260)	-	-	-	-	-	-
Provision for General management	594	-	2 394	-	-	2 394	-	(1 326)	-	1 068
Total Quality Assurance		2 828	3 135	(2 529)	(299)	3 135	450	(1 872)	-	1 713

17. COMMITMENTS

Project Name	Project number	Opening balance 31 March 2018	New Commitments Approved by Authorising Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Opening Balance 31 March 2019	New Commitments Approved by Authorising Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: RESEARCH

Africa Expansion Leadership Programme	581	-	26 216	(6 707)	-	19 509	9 500	(13 570)	-	15 439
Research Chairs Funding	644	-	14 757	(5 133)	-	9 624	-	(8 034)	-	1 590
Doctoral and Post Doctoral Research Funding	645	-	1 525	(925)	(225)	375	50	(325)	(100)	-
Doctoral & Post Doctoral Studies Research Funding	640	-	150	(100)	(25)	25	-	(25)	-	-
Doctoral and Post Doctoral Funding	675	-	-	-	-	-	2 700	(1 850)	-	850
Total Research Programmes		-	42 649	(12 865)	(250)	29 533	12 250	(23 804)	(100)	17 879

17. COMMITMENTS

Project Name	Project number	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	Opening Balance 31 March 2019	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: SKILLS DEVELOPMENT

Maths & Science Support Programme	496	23 521	-	(4 452)	(19 069)	-	-	-	-	-
Organisational Risk Practitioner	591	-	-	(190)	190	-	-	-	-	-
18.2 Learnership Funding	600	799	-	(650)	(219)	-	-	-	-	-
18.1 Internship Unemployed	602	2 563	-	(888)	(1 675)	-	-	-	-	-
18.2 Learnership Funding - Learners with Disabilities	604	427	-	(180)	(247)	-	-	-	-	-
Maths & Science Support Programme	605	-	5 362	(1 548)	247	4 061	-	(4 061)	-	0
18.1 Learnership Funding	607	8 347	-	(6 370)	(1 977)	-	-	-	-	-
Masters and Executive Bursaries	609	297	-	(210)	(87)	-	-	-	-	-
18.2 Learnership Funding	614	12 102	953	(6 619)	(6 371)	65	-	-	(65)	(0)
Learnership Funding	625	2 153	28 392	(10 931)	(1 130)	18 484	16 807	(13 990)	(748)	20 553
Learnership -Kuyasa	626	24 694	-	(23 439)	(1 255)	-	-	-	-	-
Learnership -Letsena	627	34 673	-	(29 711)	(4 962)	-	-	-	-	-
Learnership funding Window	628	11 140	217	(5 734)	(460)	5 163	-	(1 781)	(2 363)	999
Internships Unemployed	629	2 533	-	(1 600)	-	933	-	(120)	(813)	-
Learnership - People with disabilities	630	1 080	-	(450)	-	630	-	(225)	(248)	157
Pivotal Funding Window 1 Unemployed	633	3 338	-	(340)	-	2 998	-	(955)	(2 043)	-
Pivotal Funding Window-Unemployed	636	58 335	360	(13 256)	(4 000)	41 439	-	(18 583)	(22 340)	516

17. COMMITMENTS

Project Name	Project number	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	Opening Balance 31 March 2019	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
IT Skill Funding 2018-9	637	4 751	-	(2 372)	(708)	1 671	-	(819)	(652)	(0)
Pivotal Funding Window	646	-	124 681	(50 640)	(1 670)	72 371	5 277	(17 950)	(242)	59 456
Kuyasa Learnership	651	-	44 636	(6 979)	(9 974)	27 682	-	(25 805)	(1 853)	24
Letsema Learnership	652	-	39 570	(8 240)	-	31 330	-	(29 658)	(1 672)	(0)
Learnerships Unemployed	655	-	23 262	(9 721)	-	13 541	-	(6 749)	(2 380)	4 412
Learnerships Unemployed	653	-	4 275	(2 138)	-	2 138	-	(1 388)	-	750
NFSAS Support Funding	456	-	11 447	(5 005)	(1 440)	5 003	-	-	-	5 003
IT Skills Funding	647	-	9 436	(5 105)	-	4 330	1 880	(1 881)	(2 391)	1 938
IT Skills Funding	669	-	-	-	-	-	5 478	(2 157)	(1 329)	1 992
Programmes supporting Learners with Disabilities	654	-	2 867	-	-	2 867	900	(1 771)	-	1 996
Higher Education Funding Window 2017 for IEDP Development Finance	641	-	9 000	(9 000)	-	-	-	-	-	-
International Executive Development Programme	649	-	20 336	(20 260)	(76)	-	-	-	-	-
Maths & Science Support Programme 2018	648	-	9 931	(9 906)	(26)	-	-	-	-	-
Maths & Science Support Programme 2019	666	-	-	-	-	-	4 760	(2 375)	-	2 375
PIVOTAL: Grant Funding Window	668	-	-	-	-	-	1 114 886	(34 156)	(2 400)	78 330
Letsema & Kuyasa	662	-	-	-	-	-	62 151	(11 733)	(348)	50 070
PIVOTAL Grant Funding Window 2019	663	-	-	-	-	-	35 962	(11 420)	-	24 542
Cyber Security Internship	656	-	-	-	-	-	13 149	(5 310)	-	7 839
Total Skills Development		190 752	334 726	(235 864)	(54 909)	234 706	261 240	(192 887)	(42 107)	260 952

PROGRAMME: SKILLS DEVELOPMENT

17. COMMITMENTS

Project Name	Project number	Opening balance 31 March 2018	New Commitments Approved by Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Opening Balance 31 March 2019	New Commitments Approved by Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: CAPACITY BUILDING OF PUBLIC TRAINING PROVIDERS

UWC Thuthuka Project	510	158	-	-	(158)	(0)	-	-	-	(0)
Work Readiness IT Programme	542	15 848	27 757	(26 818)	10 836	27 623	9 625	(15 598)	(21 650)	0
Post School Public UOT Capacity Building	567	47 513	-	(28 269)	-	19 244	-	(16 563)	(2 681)	(0)
BANKSETA Higher Education Funding Window	595	6 810	96 379	(96 205)	(5 815)	1 169	112 323	(93 374)	(17 971)	2 147
UWC Thuthuka Project	510	158	-	-	(158)	(0)	-	-	-	(0)
Work Readiness IT Programme	542	15 848	27 757	(26 818)	10 836	27 623	9 625	(15 598)	(21 650)	0
Post School Public UOT Capacity Building	567	47 513	-	(28 269)	-	19 244	-	(16 563)	(2 681)	(0)
BANKSETA Higher Education Funding Window	595	6 810	96 379	(96 205)	(5 815)	1 169	112 323	(93 374)	(17 971)	2 147
TVT WIL Funding 2016/17	596	5 281	12 568	(12 979)	(881)	3 989	17 325	(8 422)	(765)	12 127
TVT WIL Funding 2016/17	597	18 847	14 592	(10 477)	(5 829)	17 133	55 444	(83 759)	(1 245)	37 573

17. COMMITMENTS

Project Name	Project number	Opening balance 31 March 2018	New Commitments Approved by Authorizing Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Opening Balance 31 March 2019	New Commitments Approved by Authorizing Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: CAPACITY BUILDING OF PUBLIC TRAINING PROVIDERS

Entrepreneurial Skills Development Programme	659	-	9 920	(2 480)	-	7 440	-	(7 663)	223	-
ADM WIL	631	-	12 600	(3 780)	-	8 820	-	(5 986)	(2 836)	-
TVT WIL Funding 2015/16	582	-	360	(243)	(117)	-	-	-	-	-
BANKSE-TA - SSACI Bookkeeping apprenticeship	592	-	-	(252)	252	-	-	-	-	-
Total Capacity Building of Public Training Providers		94 457	174 176	(181 503)	(1 712)	85 418	194 717	(181 364)	(46 924)	51 847

17. COMMITMENTS

Project Name	Project number	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	Opening Balance 31 March 2019	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: INCLUSIVE BANKING/SMEs

Cooperative Financial Institutions Support 2013	504	1	-	-	(1)	-	-	-	-	0
SME Funding for Scarce and Critical Skills	615	348	-	(192)	(156)	-	-	-	-	0
Debt advise consulting	616	14 528	-	(9 058)	1	5 471	-	(6 220)	749	-
Entrepreneurial Skills Development Programme	618	5 928	-	(6 308)	380	-	-	-	-	-
SME Funding Window 2017	638	4 397	5 750	(8 289)	(467)	1 391	3 010	(4 792)	391	-
Capacity Building for Co-operatives-CBDA	639	2 259	-	(2 259)	-	-	-	-	-	-

17. COMMITMENTS

Project Name	Project number	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	Opening Balance 31 March 2019	New Commitments Approved by Accounting Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
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PROGRAMME: INCLUSIVE BANKING/SMEs

SME Support 2018	658	-	3 307	-	-	3 307	476	(3 034)	(749)	(1)
Cooperative Banking Sector Board Members and Staff Development	650	-	3 800	(2 900)	-	900	-	(900)	-	-
SME Funding Window	673	-	-	-	-	-	3 403	(2 593)	-	810
Cooperative Bank Staff Development	671	-	-	-	-	-	3 863	-	-	3 863
Total Inclusive Banking/ SME Programmes		27 462	12 857	(29 006)	(243)	11 070		(17 539)	391	4 673

17. COMMITMENTS

Project Name	Project number	Opening balance 31 March 2018	New Commitments Approved by Authorising Authority	Charged to statement of financial performance 2018/19	Write Backs and Other adjustments 2018/19	Opening Balance 31 March 2019	New Commitments Approved by Authorising Authority	Charged to statement of financial performance 2019/20	Write Backs and Other adjustments 2019/20	Closing Balance 31 March 2020
Training of LOT - Project	632	426	-	-	(426)	-	-	-	-	-
Career Awareness	657	-	959	(959)	0	0	1 000	(1 000)	-	0
Total Marketing and Communications Programmes		426	959	(959)	(426)	0	1 000	(1 000)	-	0
TOTAL		315 925	568 502	(472 726)	(47 838)	363 862	480 407	(418 467)	(88 738)	337 064

PROGRAMME: MARKETING AND COMMUNICATIONS

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

Amounts for 2020/21 R62 953 thousand; 2021/2022 R41 070 thousand and 2022/23 R31 553 thousand.

	2018/19	2019/20
	R'000	R'000
Project direct expenditure (per above)	462 726 *	418 467
Project admin expenditure - non contractual	6 726	5 587
Total project expenditure	469 452	424 054

* correction of prior year mis-allocation in regard to project 651

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2020**

17. COMMITMENTS

17.2 Other Commitments

Capital Expenditure	2019/20	2018/19
	R'000	R'000

There were no capital expenditure commitments outstanding at year end

17.3 Operating Leases

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

	2019/20	2018/19
	R'000	R'000
Not later than one year	319	3 247
Later than one year and not later than five years	-	125
	319	3 372

The operating leases above relate to building premises utilised for office accommodation and a printer. BANKSETA's lease agreement for the head office building expired on 31 March 2020. Due to the national lockdown it was extended on a month to month basis. The office leases for the Polokwane and East London offices also expired on 31 March 2020.

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 expired on 31 March 2020 and new leases were entered into. The printer is under on a transversal contract till March 2021,

Due to the enactment of the Disaster Management Act restricting movement of persons and goods, the planned head office move was delayed and the head office lease was extended month on month until May 2020

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

18.1 Irregular Expenditure

Incident/Detail of Irregular Expenditure	Disciplinary Steps Taken/ criminal proceedings	2019/20	2018/19
		R'000	R'000
Cellphone contract entered into without National Treasury approval not to go out on competitive bid in contravention of National Treasury SCM Instruction no 3 of 2016/17.	Remedial action on consequence management has started	500	721
Telecommunications contracts extended past their maturity date without National Treasury prior written approval in contravention of National treasury SCM Instruction no 3 of 2016/17.	This was due to a change in the lease for the head office.	-	118
Project invoice approved and paid on a MOA where the learners had been duplicated, in contravention of National Treasury Regulation 8.2.1.	This amount was recovered in the following year and netted off the expenditure as the projects are ongoing	-	148
The accounting system tender was awarded by the board. Subsequently the BANKSETA did not sign the contract while investigating the tender process. Therefore payments were made before a contract was signed in contravention of National treasury Regulation 8.2.1.	It was concluded that there were no irregularities in the tender process. The contract was subsequently signed.	486	364
Bid for a project not advertised for minimum period of 21 days before closure and the reasons approved by the CEO for a shorter advert time were held as not being aligned to the SCM policy. . The bid was advertised on the Government Tender Bulletin on 4 May 2018 and the closing date for all applications is 21 May 2018 which is 17 days.	The transaction is not irregular. Neither legislation or policy were transgressed.	-	832
Marketing work awarded to non-tax compliant service providers in contravention of National Treasury 7 of 2018/19.	The BANKSETA is currently concluding the determination reports.	-	421
Travel related payments made in excess of contract amounts in contravention of Treasury Regulation 8.2.1	Remedial action on consequence management has started	781	-
Total irregular expenditure incurred in the current financial year		1 767	2 604
Opening balance		2 053	2 517
Less: reversal due to change in disclosure per new legislation*		-	(1 099)
Opening balances restated		2 053	1 418
Add: Irregular expenditure - current year		1 767	2 604
Less: amounts condoned by National Treasury		-	(989)
correction of prior year error		-	(832)
less: recovered		-	(148)
Closing Balance of Expenditure awaiting condonation/ to be recovered		3 820	2 053

	<u>2019/20</u>	<u>2018/19</u>
	<u>R'000</u>	<u>R'000</u>
Irregular Expenditure awaiting condonation	3 820	2 053
Analysis of expenditure awaiting condonation per age classification		
2015/16	125	125
2016/17	101	101
2017/18	203	203
2018/19	1 624	1 624
2019/20	1 767	-
Total	3 820	2 053 **

All the expenditure was in line with the BANKSETA mandate and value was received.

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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

**** Details of Prior year Error**

In the prior year the use of the incorrect legislation led to expenditure being deemed as irregular. A tender advertisement period had been shortened to 17 days instead of 21 days. This was authorised by the Acting CEO. This was incorrectly deemed irregular in terms of SCM policy clause 7 which is based on SCM Instruction no 3 of 2016/17. This states that an entity may only deviate from inviting competitive bids only for emergency and sole supplier status or must seek prior National Treasury approval. As a bid which is an invitation for competitive bids, was done, the use of the legislation was incorrect. The correct legislation which should have been used was Treasury Regulation 16A6.3(c) which aligns with SCM Policy paragraph 6. This legislation states that the Accounting Authority (or its delegate the Acting CEO) may shorten the advertisement period for urgency reasons. The tender was shortened as it was deemed urgent and the Acting CEO was delegated this power in SCM Policy clause 6.

In Dec 2018 National Treasury issued National Treasury Instruction No1 of 2018/19. This calls for irregular expenditure to be only disclosed in the period when expenses and not when the irregular contract is entered into. The reversal relates to amounts on an irregular contract for cellphones which had not yet been expensed.

18.2 Fruitless and Wasteful Expenditure

	2019/20	2018/19
	R'000	R'000
Reconciliation of fruitless and wasteful expenditure		
Fruitless and wasteful expenditure - opening balance	40	135
Fruitless and wasteful expenditure - current year	-	40
Less: amounts condoned by Board	-	(135)
Less: amounts recovered		
Fruitless and wasteful expenditure awaiting condonation or recovery	40	40
Analysis of fruitless and wasteful expenditure awaiting condonation per age classification 2017/18	40	40

19. FINANCIAL INSTRUMENTS

In the course of the SETA 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:

At amortised cost			
Interest bearing		Non-interest bearing	TOTAL
Amount R'000	Effective interest rate	Amount R'000	R'000
Year ended 31 March 2020			
<u>Assets</u>			
Cash	899 068	7,24%	899 068
Other accounts receivable	-	-	5 577
Total financial assets	899 068	7,24%	904 644
<u>Liabilities</u>			
Trade and other payables & provisions	-	-	23 443
Total financial liabilities	-	-	23 443
Year ended 31 March 2019			
<u>Assets</u>			
Cash and cash equivalents	724 613	7,29%	724 613
Other accounts receivable	-	-	4 465
Total financial assets	724 613	7,29%	729 077
<u>Liabilities</u>			
Trade and other payables & provisions	-	-	56 594
Total financial liabilities	-	-	56 594

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 cash flows against budgeted cash flows as detailed in the finance policies. Adequate reserves and liquid resources are also maintained.

19. FINANCIAL INSTRUMENTS

19.3 Ageing of financial assets and liabilities

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

	2019/20		2018/19	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	5 577	-	4 465	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-
Total receivables	5 577	-	4 465	-

The ageing of cash and cash equivalents:

	2019/20		2018/19	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	899 068	-	724 613	-
Total cash and cash equivalents	899 068	-	724 613	-

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

	Carrying Amount	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other payables from exchange transactions	(4 054)	(4 054)	(4 036)	-	(18)	-
Trade and other payables from non -exchange transactions	(7 298)	(7 298)	(7 298)	-	-	-
Trade and other payables from exchange Transactions	(3 269)	(3 269)	(3 269)	-	-	-
Trade and other payables from non -exchange transactions	(42 537)	(42 537)	(42 537)	-	-	-

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. Post balance sheet events in regard to the Covid -19 pandemic, and the lockdown emanating from the declaration of the National State of Disaster, and the expected economic downturn as well as the four month skills development levy holiday legislated are not expected to impact on the accounts receivable. The SETA is exposed to a concentration of credit risk, as significant amounts of income flows through the South African Revenue Service (SARS). This concentration of risk is limited as SARS is a government entity with sound reputation. Accounts receivable are presented net of allowance for doubtful debt.

* prior year presentation adjust to align to current year presentation

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 capitalized 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.

	2019/20	2018/19
	R'000	R'000
Cash and cash equivalents	899 068	724 613
Receivables from exchange transactions	5 577	4 465
	904 645	729 077

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.

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 sector's profitability and employment within the sector. The declaration of a National State of Disaster and the ensuing lockdown 5 days before year end is a significant event during the year. The impact of this on the BANKSETA's levy income is expected in the next financial year as disclosed under going concern note no 25 and post balance sheet events note 26.

* prior year presentation adjust to align to current year presentation

20. NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorization 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.

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
Presentation of Financial Statements	GRAP 1	1 April 2020
Related Parties Disclosures	GRAP 20	1 April 2020
Separate financial statements	GRAP 34	1 April 2020
Consolidated financial statements	GRAP 35	1 April 2020
Investments in Associates and Joint Ventures	GRAP 36	1 April 2020
Joint Arrangements	GRAP 37	1 April 2020
Disclosure of Interests in Other Entities	GRAP 38	1 April 2020
Living and non living resources	GRAP 110	1 April 2020
Financial Instruments	GRAP 104	No effective date set
Applying the probability test on initial recognition of revenue	IGRAP 1	1 April 2020
Accounting for Adjustments to revenue	IGRAP 20	1 April 2020
Guideline on Accounting for Landfill Sites	guideline	No effective date set
Guideline on the application of Materiality to Financial Statements	guideline	No effective date set

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 1 : Presentation of Financial Statements

The standard prescribes the basis of presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. The application of this standard is not expected to have a material impact on future disclosures of the BANKSETA.

GRAP 20 : Related Party disclosures

This standard prescribes the disclosure of information relevant to draw attention to the possibility that the Seta financial position and surplus/deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures as the current disclosures are based on GRAP 20. Related parties do not have significant and separate overruling rights to BANKSETA.

GRAP 34 : Separate financial statements

This standard prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when the entity prepares separate financial statements. The BANKSETA has no such transactions and this Standard will therefore not impact on the BANKSETA's disclosures.

GRAP 35 : Consolidated financial statements

The objective of this standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The BANKSETA does not control any other entities. This Standard will therefore not impact on the BANKSETA's disclosures.

GRAP 36 : Investments in joint ventures and associates

This standard prescribes the accounting treatment for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The BANKSETA does not have any stakes in associates and joint ventures and therefore this Standard will not impact on any BANKSETA disclosures.

GRAP 37 : Joint arrangements

The standard establishes principles for financial reporting by entities that have an interest in arrangements that are jointly controlled. This standard will effect the BANKSETA's reporting in the future.

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 104 : Financial Instruments

The objective of this standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The application of this standard is not expected to significantly impact the BANKSETA's disclosures

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.

IGRAP 1 : Applying the probability test on initial recognition of revenue

This Interpretation provides guidance on how an entity applies the probability test on the initial recognition of revenue from an exchange or non-exchange transaction: (a) where credit is extended and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently; and (b) when other factors impact the inflow of future economic benefits or service. the interpretation will not effect BANKSETA's reporting.

Guideline on Accounting for Landfill Sites

The objective of the Guideline is to provide guidance to entities that manage and operate landfill sites. The Guideline applies to entities that are required to comply with the legislative requirements applicable to landfill sites and therefore is not applicable to the BANKSETA and will not impact on its future reporting.

Guideline on the application of Materiality to Financial Statements

The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. This Guideline aims to assist entities in achieving the overall financial reporting objective. the application of this guideline is not expected to have a material impact on the 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 these estimates

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the 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 beginning of the financial year. Residual values are reviewed annually. Refer to note 7 and 8 for the respective carrying values.

Covid-19 implications on going concern basis

There is significant uncertainty in regard to the impact of the lockdown, and Covid and expected negative economic effects on stakeholders ability to maintain employment in the sector and its impact on future levies, and on BANKSETA discretionary programmes. The BANKSETA has used the latest information from stakeholders in the sector and their ability to complete or participate in discretionary programmes.

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 Department of Higher Education and Training was reorganised to include science and renamed as the department of Higher Education, Science and Technology in 2019. The departments were controlled, respectively by the Minister of Labour and Minister of Higher Education, Science and Technology.

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:

22.1 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:

	2019/20		2018/19	
	R'000		R'000	
	Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
Receivables	9	-	-	50
FASSET		-	-	50
Payables	13	-	-	-
Total		-	-	50

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

22.2 QCTO

The BANKSETA and the Quality Council for Trade and Occupations (QCTO) are both public entities under the common control of DHET.

In terms of legislation all SETAs contribute amounts annually to the QCTO to fund QCTO's operations. Such amounts should not exceed 0.5% of the annual levies of the SETA. The value of BANKSETA's contribution to the QCTO during the year are disclosed under note 6.

The annual contributions by a SETA to QCTO are determined by the Minister and are payable in full in advance on 1 April of each year.

There are no balances outstanding and no commitments outstanding to QCTO at year end.

Any commitments to the QCTO would not be secured and there are no guarantees given or received.

22.3 Public Universities and Universities of Technology (UoTs)

The BANKSETA and the public universities and the universities of Technology are public entities under the common control of DHET.

The BANKSETA funds programmes through the public universities and the UoTs as follows

- bursary programmes benefitting learners
- work integrated learning programmes benefitting learners
- research programmes including research chairs

The year end balances payable or receivables and outstanding commitments to the universities and UoTs are shown below.

22.4 Technical and Vocational Colleges (TVETs)

The BANKSETA and the TVETs are public entities under the common control of DHET.
The BANKSETA funds the following programmes through the TVETs

- bursary programmes benefiting learners
- work integrated learning programmes benefiting learners

The year end balances (payable and/or receivables) and outstanding commitments to the TVETS are shown below.

22.5 NSFAS

The BANKSETA and the NSFAS are entities under the common control of DHET.
The BANKSETA funds bursary programmes for the benefit of learners through NSFAS.
The year end balances (payable and/or receivables) and outstanding commitments to the NSFAS are shown below.

Type of entity	Nature of transaction	2019/20		2018/19	
		Net Pay-able/Re-ceiveable at year end	Commit-ment Value At year end'	Net Pay-able/Re-ceiveable at year end	Commitment Value At year end'
TVETS	Bursaries	-	798	(206)	1 915
TVETS	Work Integrated Programms	-	37 445	(1 326)	17 127
Universities and Universities of Technology	Bursaries	(409)	1 120	(1 467)	879
Universities and Universities of Technology	Work Integrated Programmes	-	14 274	(1 388)	13 979
Universities	Research programs	(1 702)	1 590	-	9 624
NSFAS	Bursaries	-	5 004	(5 142)	5 078
Subtotal Related Parties balances and Transaction iro Programmes		(2 111)	60 230	(9 529)	48 602

The above transactions occurred within normal client/ recipient relationships under terms and conditions that were no more or no less favourable than those available to entertain the same circumstances. All transactions are within the normal operating parameters established by BANKSETA's legal mandate. All transactions are at arms length.

22.6 REMUNERATION OF KEY MANAGEMENT

The key management personnel (as defined by GRAP 20, Related Party Disclosures) of BANKSETA is: 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:

22.7 Remuneration of Members of the Accounting Authority and Committee members

	Meeting and Preparation fees	Ad hoc Meetings	Total 2019/20	Total 2018/19
	R'000	R'000	R'000	R'000
N Makhanya (Chairperson)	203	123	326	260
M Lekota	185	5	190	217
J Kokela	149	2	151	155
S Anthony	203	51	254	180
D Cedras	182	-	182	151
N Jonas	186	-	186	143
L Selepe	112	4	116	108
S Padi	208	-	208	133
V Moodley	212	5	217	204
M Moodley	275	9	284	141
L Voss-Price (resigned effective December 2019)	77	3	80	130
M Maleka	-	-	-	73
D Retief (resigned effective 31 July 2019)	-	-	-	65
I. Noko (resigned January 2019)	-	-	-	115
Aggregate remuneration Accounting authority members	1 992	202	2 194	2 075

Meeting and Preparation fees	Ad hoc Meetings	Total 2019/20	Total 2018/19
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R'000	R'000	R'000	R'000
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22.8 Remuneration of Independent committee members

N Maharaj	Independent ARC members	236	191	427	300
S Yanguya		101	1	102	104
C de Kock- resigned effective 22 August 2019		56	5	61	153
L Mangquku (appointed effective 20 February 2020)		9	4	13	-
T. Mhlari		-	-	-	22
Aggregate remuneration independent ARC committee members		402	201	603	579
Aggregate remuneration		2 394	403	2 797	2 654
Number of persons				15	18 *

* This number was incorrectly stated as 12 in prior year.

22.9 Senior Management

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	Post-employment benefits pensions	Other short-term benefits	Bonuses and performance related amounts	Total remuneration 2019/20	Total remuneration 2019/20
	R'000	R'000	R'000	R'000	R'000	R'000
CEO	1 641	203	102	-	1 946	325
CFO	1 344	166	81	437	2 028	2 074
GM Operations	1 325	164	102	437	2 028	2 076
GM Corporate Services	1 308	161	121	437	2 027	2 071
Company Secretary *	-	-	-	-	-	1 207
Total	5 618	694	405	1 311	8 028	7 753

* The Company Secretary was in the role of the Acting CEO in the prior year for 10 months

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	2019/20	2019/20	2018/19	2018/19
			R'000	R'000	R'000	R'000
			Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ (payable)
Payables						
First Rand Bank	Accounting Authority Member	Discretionary and mandatory grants	(3 157)	(3 157)	(6 115)	(6 115)
Nedbank	Accounting Authority Member	Discretionary and mandatory grants	(1 777)	(1 777)	(3 122)	(3 122)
Standard Bank	Accounting Authority Member	Discretionary and mandatory grants	(3 113)	(3 113)	(10 794)	(10 794)
South African Reserve Bank	Accounting Authority Member	Discretionary and mandatory grants	(280)	(280)	(264)	(264)
Sasbo	Accounting Authority Member	Discretionary and mandatory grants	(8)	(8)	(8)	(8)
Total			8 335	(8 335)	(20 303)	(20 303)

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 Work Place 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 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.

2019/20

Statement of Financial Performance				Reconciliation to the statement of financial performance			
Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Total segmental amounts	Total	Note
Segment Revenue							
Revenue from non-exchange transactions	210 218	519 422	110 231	839 871	-	839 871	
Interest revenue from non-exchange transactions	-	13 671	-	13 671	-	13 671	
Total revenue from non-exchange transactions	210 218	533 093	110 231	853 542	-	853 542	
Total revenue from exchange transactions	-	62 781	47	62 828	-	62 828	
Total revenue	210 218	595 874	110 278	916 370	-	916 370	
Segment Expenditure							
Employer grant expenses	(205 075)	-	-	(205 075)	-	(205 075)	5
Discretionary Project expenses	-	(424 054)	-	(424 054)	-	(424 054)	5
Administration expenses	-	-	(80 197)	(80 197)	-	(80 197)	6
Depreciation/amortisation	-	-	(1 538)	(1 538)	-	(1 538)	6
Total Expenditure	(205 075)	(424 054)	(81 735)	(710 864)	-	(710 864)	
SURPLUS (DEFICIT) FOR THE PERIOD	5 143	171 820	28 543	205 506	-	205 506	

2019/20

Statement of Financial Position				Reconciliation to the statement of financial position			
Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Total segmental amounts	Total	Note
Assets							
Non-current assets							
Property and equipment	-	-	-	-	1 421	1 421	7
Intangible assets	-	-	-	-	577	577	8
Current assets							
Receivables from non-exchange transactions	867	-	-	867	-	867	9
Receivables from exchange transactions	-	5 577	-	5 577	-	5 577	10
Cash and cash equivalents	-	-	-	-	899 068	899 068	11
Total assets	867	5 577	-	6 444	901 066	907 510	
Liabilities							
Current liabilities							
Payables from exchange transactions	-	-	4 054	4 053	-	4 054	12
Payables from non-exchange transactions	22 111	-	-	22 111	-	22 111	13
Provisions	1 495	-	10 596	12 091	-	12 091	14
Total liabilities	23 606	-	14 650	38 256	-	38 256	
NET ASSETS AND LIABILITIES	(22 739)	5 577	(14 650)	(31 812)	901 066	869 254	
Funds and reserves							
Administration reserve	-	-	1 998	1 998	-	1 998	
Employer grant reserve	115	-	-	115	-	115	
Discretionary reserve	-	867 141	-	867 141	-	867 141	
TOTAL FUNDS AND RESERVES	115	867 141	1 998	869 254	-	869 254	

2018/19**Statement of Financial Performance****Reconciliation to the statement of financial performance**

Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Total segmental amounts	Total	Note
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	-	-	(1 538)	(1 538)	-	(1 538)	
Total Expenditure	(187 921)	(469 452)	(75 561)	(710 864)	-	(710 864)	
SURPLUS (DEFICIT) FOR THE PERIOD	5 114	114 963	29 982	150 059	-	150 059	

2018/19**Statement of Financial Position****Reconciliation to the statement of financial position**

Segment Reporting	Mandatory	Discretionary	Admin	Total segmental reporting	Total segmental amounts	Total	Note
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)	(12 567)	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	

25. GOING CONCERN

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going 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.

In July 2019 the SETA was re-established until 31 March 2030.

25.1 COVID-19 RELATED IMPLICATIONS

The President of the Republic of South Africa declared a National State of Disaster due to a Covid -19 pandemic and gazetted regulations under the Disaster Management Act effective from 26 March 2020. These required all businesses not deemed to be essential to be closed and restricted persons to their homes under a lockdown status from 26 March 2020. The BANKSETA was not deemed an essential service. While the BANKSETA offices were closed, BANKSETA continued with its operations remotely. BANKSETA learners continued learning using online platforms as far as possible although those on workplace learning programmes had no access to a workplace or associated workplace experience.

The impact of the lockdown 5 days before year-end was minimal. Some programmes were delayed and did not complete expected milestones before year end due to the lockdown. These programs continued after the lockdown .

The initial 21 day lockdown was extended for another 14 days till 3 May 2020. From 4 May 2020 the lockdown was implemented under Alert level 4 with limited businesses allowed to operate. From 1 June 2020 further relaxation of the lockdown was gazetted under Alert level 3, with most of the economy allowed to operate. As of July 2020, the country is still under alert level 3 with some businesses still closed. All the stakeholders in the banking and alternate banking sector were allowed to open from alert level 4 on 4 May 2020. However, all open businesses must operate under Covid regulations which includes restriction of the workforce allowed to be at the workplace at any one time. Currently such restrictions stand at 33% of staff.

In 2020/21 the lockdown will impact BANKSETA's ability to deliver on some discretionary programmes and attain some targets. Some learning has continued under remote facilities, but others had to be curtailed as they involved physical meetings or travel. Access to the workplace was significantly curtailed as employers were only allowed to operate at up to 30% capacity and could not accommodate learners under work integrated learning. BANKSETA is currently assessing the impact of the lockdown on learners and alternate methods of delivery of its programmes. Some programs may have to be curtailed, others may have to be delivered in a different format and some may not take place in 2020/21. There is uncertainty in regard to implementation of these programs.

The BANKSETA is also currently formulating programs targeted at learners impacted by Covid -19 which will partially replace some of its traditional programmes that have been impacted by the lockdown and workplace restrictions. The BANKSETA will seek to utilise more of its reserves this year to assist learners hit by the lockdown. It is too early to quantify the expected change in the BANKSETA's financials.

There is significant uncertainty in regard to the impact of the lockdown and Covid on BANKSETA discretionary programmes. The financial impact can not be reliably estimated at present. However the BANKSETA has large reserves which BANKSETA would have to seek National treasury approval to utilise for any additions to discretionary programs budget.

The BANKSETA will also incur additional hygiene and protective equipment costs in regard to Covid related regulations. As at 31 March 2020, the BANKSETA had spent less than R5 thousand on such Covid related hygiene expenditure. The BANKSETA does not expect to spend more than R100 thousand in such expenditure in 2020/21 and has sufficient budgets to cover this.

The BANKSETA has made assumptions that National Treasury will approve the BANKSETA's utilisation of its reserves to cover any changes in the discretionary expenditure. The lockdown related changes in discretionary programmes and additional hygiene related expenditure are therefore not expected to have an impact on BANKSETA's ability to operate as a going concern in the upcoming year.

25.2 Contributions to the Fiscus for Covid Related Alleviation Programs

In response to the economic downturn and need for economic assistance by the general population due to the Covid 19 pandemic and associated lockdown, the government initiated several relief programs. The national fiscus has insufficient funds to cover all the programs and has started a process to review the assets and specifically cash assets held by SETAs with the aim to determine and extract funds that can be directed to Covid and lockdown related programmes through the fiscus. This exercise is being done through the executive Authority, DHET who have appointed a firm of accountants to undertake the work.

This exercise began in June 2020 and the BANKSETA expects the outcome to be issued in September 2020. There are significant uncertainties in regard to this exercise and the parameters of the calculations. The BANKSETA can not estimate the outcome. However part of the parameters of the exercise above, is to assess the impact of the extraction of funds on the entity with the view to still allow it to continue operations.

The 2019/20 surplus that requires approval by National Treasury is disclosed in note 16.1 at R867 256 thousand.

Should the BANKSETA forfeit this surplus to the fiscus, it is expected to still continue as a going concern.

25.3 FOUR MONTH SKILLS DEVELOPMENT LEVY SUSPENSION

On 1 May 2020, in response to the National State of Disaster and the associated significant negative cashflow effect of the extended nationwide lockdown on tax payers, the National Treasury gazetted the Disaster Management Tax Relief Bill (2020), to assist businesses with liquidity constraints in a time where business activity is likely to see an unprecedented decline. Government legislated a four-month holiday (non-payment) for skills development levy contributions made by employers, beginning 1 May 2020 and ending on 31 August 2020. This is a suspension and not a deferral, as a result employers will not become liable for those amounts after 31 August 2020. This meant that all levy payers including those in the banking and alternative banking sector would pay no levies for 4 months. As levies from the banking and alternative banking sector flow to the BANKSETA, the BANKSETA is expected to receive no levies for 4 months.

The BANKSETA has estimated that this would lead to reduction in expected 2020/21 skills development levy income of R296 million. This in turn would lead to an additional R220 deficit being expected in 2020/21. The BANKSETA has sufficient reserves to cover its expenditures for those four months and would have to apply to National Treasury to utilise these reserves after approval of revised budgets. This change in legislation is not expected to impact on BANKSETA's ability to continue as a going concern.

Subsequent to this, in June 2020 the BANKSETA has received skills development levies at a level about 15% lower than the monthly level, which DHET has indicated is due to some levy payers still paying some late levies.

25.4 COMBINED EFFECT

After assessing the combined effect of all the above, the BANKSETA is expected to continue as a going concern over the next financial year.

26 EVENTS AFTER REPORTING DATE

26.1 NATIONAL STATE OF DISASTER AND LOCKDOWN

The lockdown imposed under that National state of Disaster in terms of the Disaster Management Act is gradually being lifted as disclosed in note 25 above and the economy is gradually reopening. BANKSETA opened under Alert level 3. Most of the lockdown was after yearend. These post balance sheets events are non-adjusting events as they have no impact on the balances at 31 March 2020, or the results of operations for the year under review.

26.2 FOUR MONTH SKILLS DEVELOPMENT LEVY SUSPENSION.

The four month skills development holiday for stakeholders gazetted on 1 May 2020 in the Disaster Management Tax Relief Bill (2020) as disclosed in note 25 is an non-adjusting post balance sheet event as it has no impact on the balances at year end or the results of the year under review. It will reduce expected levies in 2020/21 by about R300 million.

26.3 CONTRIBUTIONS TO THE FISCUS FOR COVID RELATED ALLEVIATION PROGRAMS

As disclosed in note 25.3 DHET is conducting an exercise to determine how much in funds can be diverted from SETAs to the fiscus to assist in Covid-19 alleviation programmes. This is a post balance sheet event that will did not impact on balances as at 31 March 2020 or the results of operations for the year under review.

27. NOTES TO STATEMENT OF COMPARISION OF BUDGET AND ACTUAL AMOUNTS

27.1 SKILLS DEVELOPMENT LEVY: INCOME FROM NON-EXCHANGE TRANSACTIONS

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

27.2 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.

27.3 INVESTMENT REVENUE FROM EXCHANGE TRANSACTIONS

Investment revenue from exchange transactions was 67% greater than what was budgeted for due to higher levels of funds than budgeted caused by decreased project expenditure in 2018/19 and 2019/20 per reasons detailed in note 27.5

27.4 EMPLOYER GRANT

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

27.5 PROJECT EXPENDITURE

The approved final budget covers the estimated project spending of the current financial year plus the 2018/19 surplus which BANKSETA had received approval to retain and utilise. The 50% variance between the approved budget and the actual project expenditure is due to delays in approval of DG funding window applications in 2018/19 which resulted in the contracts only being signed in February/March 2019. This delay was due to a review process to ensure continuous improvement. As the time frame of most projects is over a year, any delay in one year has a knock on effect on expenditure in the next year. Also employers after experiencing such long delays would have had to make decisions in regard to the programmes which reduced intakes. Most of the planned 2019/20 SCM transactions were not undertaken due to SCM tendering being closed for most of the year. This also reduced project expenditure as the training and administration service providers would not have been contracted and some programmes therefore did not take place or did not start.

27.6 ADMINISTRATION EXPENSES

Administration expenditure is limited to 10.5% of levies received.

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

The BANKSETA has a small and cost effective structure and traditionally has not utilised all its admin allocations. The large variances are in:

- employee costs including performance bonus. this is below budgets by 8% due to vacancies during the year due to staff movement as detailed under the HR report. There are currently 5 vacancies and recruitment is ongoing
- research costs - below budget by 89% due to the closure of SCM during 2019/20 resulting in the work not being tendered and no contract signed
- Communications and marketing being below budget by 89% due to less need during the year, and
- Marketing below budget by 46%
- and capex being below budget by 50% due to SCM closure.



ANTI-FRAUD HOTLINE: 0800 222 985



WWW.BANKSETA.ORG.ZA



GAUTENG HEAD OFFICE

Telephone: +27 (0) 11 805 9661
Facsimile: +27 (0) 11 805 8348

Building C2, Eco Origin Office Park
Gate 1, 349 Witch-Hazel Ave,
Eco-Park Estate, Highveld,
Centurion, 0144

EASTERN CAPE OFFICE

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

FREE STATE OFFICE

Telephone: +27 (0) 51 406 9365
Facsimile: +27 (0) 86 667 7966

Motheo TVET College Central
Office, Cnr St Georges & Aliwal
Streets, Bloemfontein,
9300

LIMPOPO OFFICE

Telephone: +27 (0) 15 297 0199
Facsimile: +27 (0) 86 218 0124

IGS Building
7 Watermelon Street,
Platinum Park Bendor,
Polokwane, 0713