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# BANKSETA ANNUAL REPORT

## 2009/10

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GOING  
FORWARD



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



Dr Blade Nzimande  
Minister of Higher Education & Training



Honourable Minister, it is with pleasure that we present to you the Annual Report of the BANKSETA for the period 1 April 2009 to 31 March 2010.

Eugene Ebersohn  
Chairperson

## Highlights of 2009/10

- 1 000 new LETSEMA learners were recruited, bringing the total number of learners recruited since 2005 to 6 200. Placement rates for completed learnerships consistently exceed 75%.
- The BANKSETA became the first SETA to start funding doctoral and post-doctoral studies.
- The Introductory Course in Islamic Banking was launched to further enhance diversity and transformation in the sector.
- Two new Centres of Excellence were opened, one at the University of Fort Hare and the other at the North-West University, thereby extending the BANKSETA's provincial reach.
- A mobile training solution was launched as a vehicle to take skills development to small and micro enterprises (SMEs) in outlying areas.
- Stakeholders in the sector supported the BANKSETA's application to continue operating unchanged when the new SETA landscape is introduced in line with the National Skills Development Strategy III.
- In the mean time, the BANKSETA's operating licence was renewed for a further year, until 31 March 2011.
- The BANKSETA achieved full ETQA accreditation for another three years, based on its newly launched operating model.



higher education  
& training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

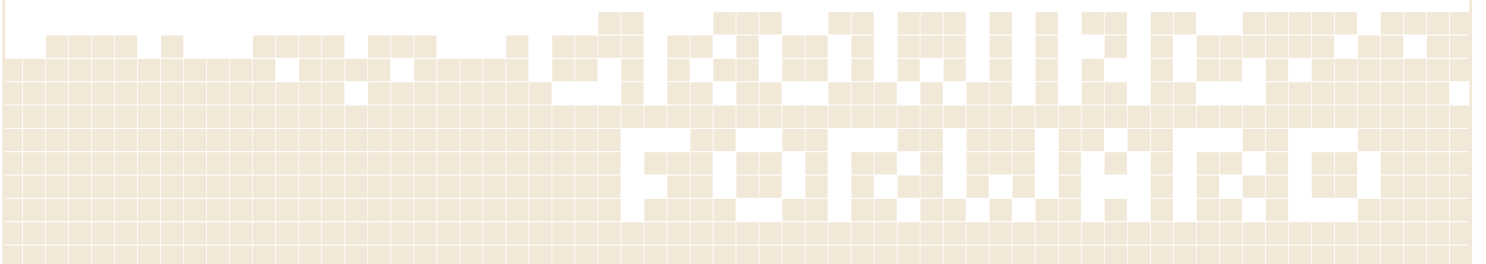


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## Annual Report of the **BANKSETA** 2009/10

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## Chairperson's Report

The 2009/10 financial year was one of the most challenging yet in the 10-year history of South Africa's sector education and training authorities. During the year, the Department of Higher Education and Training took over responsibility for the SETAs from the Department of Labour and commenced a review of the SETA landscape. At the same time, employers and organised labour had to contend with the aftermath of a global economic downturn that decimated jobs and placed most organisations under pressure to cut costs. In these circumstances, the BANKSETA again proved its worth as the skills development partner of the banking and microfinance sector.

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The effects of the recession were reflected in the slight drop in levy income, which fell from just over R329 million last year to R328 million in the financial year ended 31 March 2010. Even so, the BANKSETA, which is well known for being economical in spending stakeholder money, sustained its track record of increasing spending on discretionary projects. In fact, the organisation increased this component of its spending by an impressive 63%, from R99 million in the previous year to R154 million. This solid increase helped to cushion the recessionary blow on the sector's skills base and assisted stakeholders in preparing for the economic recovery.

The effectiveness of this response, coming on the back of the BANKSETA's longstanding reputation as a top-performing SETA, explains the willingness of stakeholders to support the organisation's application to continue in its current format. When the Department\* completes the SETA review in 2010/11, we expect that the BANKSETA will remain intact and will not be required to merge or restructure.

The BANKSETA's success was also acknowledged at the first InterSETA conference, which was held at the end of September 2009 and chaired by the BANKSETA chief executive officer, Max Makhubalo. It was a privilege for the organisation to be able to share its experience and insights at this event.

Another successful event in September 2009 was the Annual General Meeting of the BANKSETA. At the

AGM, I had the privilege of being formally introduced to stakeholders as the new Chairperson of the BANKSETA Council, having succeeded the outgoing Chairperson, Mr Siphon Ngidi. The handover was exceptionally smooth, confirming the BANKSETA's reputation for being well organised and efficient.

Good continuity was also evident in the handling of corporate governance matters. The Council committees were effective in scrutinising the BANKSETA's internal controls, financial reporting and remuneration practices. The Council was satisfied with the way that management implemented the BANKSETA strategy and monitored progress against the Service Level Agreement with the Department.

Finally, it is a pleasure to report that, for the 10<sup>th</sup> consecutive year, the BANKSETA has achieved an unqualified audit for the 2009/10 financial year.



Eugene Ebersohn

\*Department

Reference to "Department" before November 2009, read as the Department of Labour.

Reference to "Department" after November 2009, read as the Department of Higher Education and Training.



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# Chief Executive Officer's Report

After two difficult years, all indications are that the South African economy is emerging from recession and that the country's banking sector has weathered the financial turbulence better than most. Although the recession resulted in a drop in levies income in the past financial year, we are seeing promising signs in the uptake of employment and the demand for training and development.

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As with all SETAs, the future of the BANKSETA has been uncertain pending the review being conducted by the Department. The Department has since recommended that the BANKSETA continue with its existing mandate without being merged with another SETA. We see this as a vote of confidence in the work we have done in our sector over the past decade.

During 2009/10, in response to the needs of the sector, the BANKSETA introduced or extended various products designed to help our stakeholders keep up with international developments and improve the local relevance of their offerings. An excellent example was the introduction of the BANKSETA-funded Introductory Course on Islamic Banking, which was launched in January 2010.

In reaching out to small and micro enterprises (SMEs) in outlying areas, the BANKSETA launched a mobile training solution in the form of a bus equipped with satellite technology, touch screen computers and office equipment.

We have also gone out into the provinces to help improve the pass rates in Mathematics, Accounting and English by creating Centres of Excellence. These fields are the main bottlenecks for entry to the banking profession and we are determined to assist in unblocking them.

To enhance the global relevance of our sector, we became the first SETA to start funding students at doctoral and post-doctoral level for studies in fields such as Applied Economics, Applied Finance and Applied Accounting.

Despite the tough operating conditions that most of our stakeholders experienced, the banking sector continued to support the LETSEMA learnership programme for post-matric learners and the KUYASA programme for unemployed graduates. Both learnerships enjoy very high placement rates.

For the future, we are researching the Recognition of Prior Learning (RPL) as a major project for achieving equity and fairness for people who have carried our sector for many

years. We have made good progress with RPL and are currently doing a benchmarking exercise with the Centre for Learning Sciences and Technologies (Celstec) in the Netherlands.

In addition, the BANKSETA is busy looking at the application of the dual education system being used in Germany, where two-thirds of people who have passed their matric level go on to do artisanships and learnerships. I look forward to reporting back to our stakeholders on our findings and next steps.

Investment banking is another important area since South Africa has a dearth of black investment professionals and females. To address this, we are finalising an agreement with New York University's Stern Business School to introduce an International Executive Development Programme (IEDP) in Investment Banking as from the 2011/12 financial year.

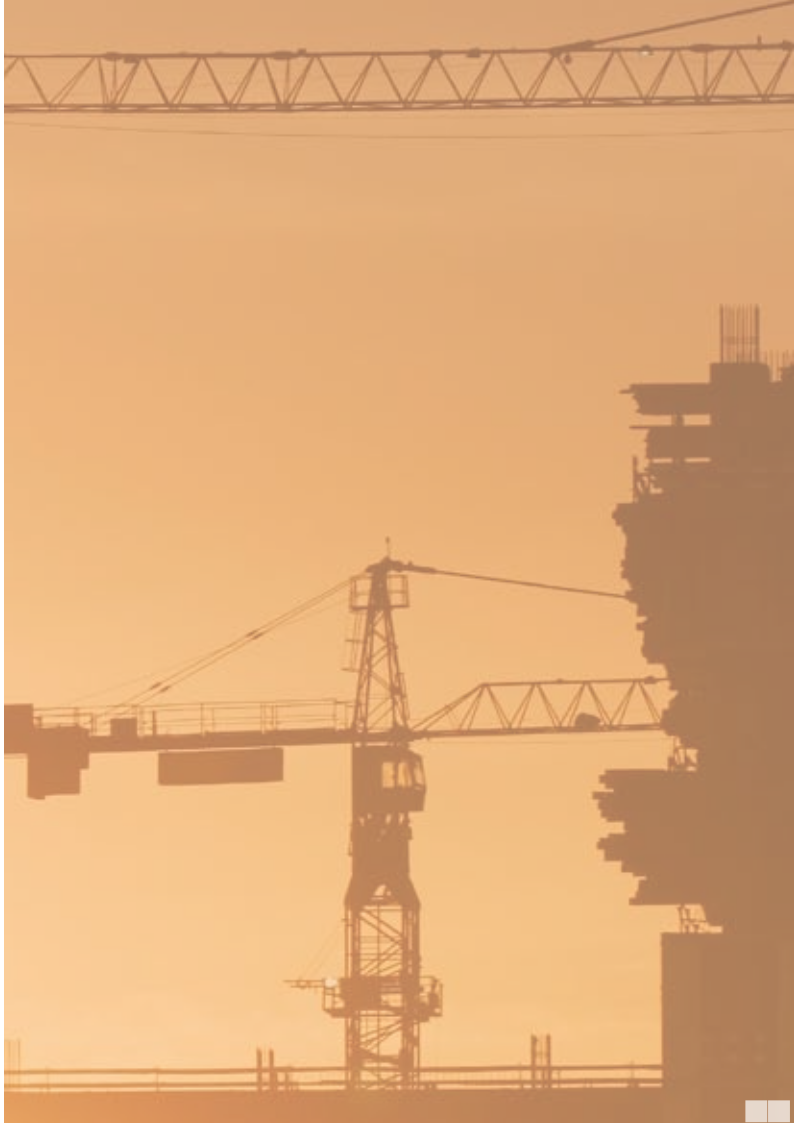
The BANKSETA also continues investing in our own staff and in creating a working environment that is challenging and interesting, but also responsive to people's individual circumstances. We have introduced flexi-time and telework to assist young employees with families, and this is working well. Hence, despite the uncertainty in our environment, the BANKSETA has retained a core of capable and motivated staff who have enabled our results.

We are truly indebted to our Council members and all the people who serve on our subcommittees. Without them, the BANKSETA success story would not have been possible. Their selfless dedication to the national call to improve skills and transform our sector will leave a lasting legacy. The BANKSETA family is proud to again forward a set of excellent results in all respects. We are humbled by the opportunity to serve our fellow man.



Max Makhubalo

# Foundation



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# 3. Foundation

## a. Vision, Mission, Values and Objectives

### Vision

The vision of the BANKSETA is to be recognised as a centre of excellence and innovation for skills development in the broader Banking and Microfinance sector

### Mission

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

### Values

The BANKSETA values highlight the desired standards of behaviour expected from all BANKSETA representatives in their dealings with stakeholders. By way of example, all employees are at all times required to demonstrate professionalism and customer focus, which are two of the BANKSETA's espoused values. Thus, values play an important part in driving performance and delivery within the organisation.

The BANKSETA has seven core values, as follows:

- Respect - We treat all people with respect.
- Innovation - We strive constantly to up our game and perpetual dissatisfaction with the status quo is our mantra.
- Customer focus - We treat the customer as king.
- Professionalism - We strive to upgrade our information base by benchmarking and following world-class principles.
- Diversity - We celebrate diversity as it strengthens our cultural fabric.
- Integrity - We act with integrity towards all stakeholders and support clients that uphold the same values.
- Teamwork - As the BANKSETA we are a seamless team in the service of our customers.

### Objectives

The BANKSETA has two major objectives that guide all activities:

1. Enable skills development in the broader banking and microfinance sector; and
2. Implement the National Skills Development Strategy in the broader banking and microfinance sector

The functions of a SETA according to the Skills Development Act (Act No. 97 of 1998) include the following:

- Develop and implement the Sector Skills Plan;
- Develop and administer learnerships;
- Support the implementation of the National Qualifications Framework (NQF);
- Implement Education and Training Quality Assurance (ETQA) responsibilities mandated by the South African Qualifications Authority (SAQA);
- Disburse levies collected from employers in the banking sector;
- 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.

## b. Strategy Implementation

The Chief Executive Officer and the BANKSETA Management are responsible for implementing the strategy of Council. To assist in strategy execution, the BANKSETA has introduced a Balanced Score Card, which is directly linked to the approved strategy. The Balanced Score

Card is proving invaluable in ensuring that all resources are mobilised towards achieving the strategic themes set for the year.

The Balanced Score Card for 2009/10 had a dashboard consisting of five key themes and specific measures to map progress. The themes for the year were:

- Ensuring a work climate that supports the BANKSETA strategy, with the emphasis on investing in people and embedding a value-driven culture.
- Creating an efficient organisation aligned to sector needs and the national agenda. The focus of this theme was on legal requirements, corporate governance and technological infrastructure.
- Developing relevant, high-quality skills to enable transformation, with the emphasis on the quality and relevance of BANKSETA products, customer satisfaction and project controls.
- Understanding the supply and demand dynamics of the labour market in the banking and microfinance sector, highlighting research and skills planning.
- Building strategic partnerships with key stakeholders, including service providers.

### c. Governance

The BANKSETA is committed to principles and practices that give stakeholders assurance that the organisation and its resources are managed soundly and ethically. The structure charged with overall governance is the BANKSETA Council, which is responsible for the general direction, policy and finances of the organisation.

Under the guidance of Council, the BANKSETA follows business and reporting practices that are in line with the Code of Corporate Practices and Conduct as set out in the King III Report, the Public Finance Management Act (PFMA) (Act No. 1 of 1999) and the Skills Development Levies Act (Act No. 9 of 1999).

#### Council members

Council members are appointed in terms of the BANKSETA Constitution, in line with the Skills Development Act. The Council represents organised labour through the Banking Employees Forum and organised employers through the Banking Employers Forum. Employers and employees are equally represented on the Council, with the South African Reserve Bank as a non-voting member. All members of Council are bound by the BANKSETA Code of Conduct.

The Council meets every two months, or as required, to enable it to assert its governance responsibility as the Accounting Authority.

#### Fiduciary responsibility of Council members

All Council members are aware of their fiduciary responsibilities and the need for fair, transparent and accountable decisions and actions.

#### Allowances for Council members

Council members are not staff members of the BANKSETA. An allowance is paid to Council members for their attendance at and contributions to the statutory meetings. Board allowances are paid to the constituencies that members represent and not to the individual. The allowance rates approved by the Council are:

- R1 000 paid to the Chairperson for attendance at meetings
- R800 paid to Council members for attendance at Council and Council committee meetings.

#### Changes in Council office bearers and membership

In the 2009/10 financial year, Council Chairperson Mr Siphon Ngidi handed over the reins to incoming Chairperson Mr Eugene Ebersohn. Mr Ronald Ramabulana took over from Mr Lawrence Mlotshwa as deputy chairperson.

The Council also welcomed Ms Nitasha Naicker of the African Bank and Mr Gcobani Fipaza of FirstRand as new members, following the resignations of Mr Francois Hugo and Mr Sifiso Mthembu of FirstRand.

It is standard practice to introduce new BANKSETA Council members to the systems and policies through a formal induction process. In this way, the Council ensures that members can immediately participate effectively in Council deliberations, while Council can in turn benefit from the expertise that new members bring to bear.

Three permanent Council committees are in place to assist the Council in discharging its governance obligations. These committees are the Audit Committee, the Finance Committee and the Remuneration Committee. Details of the membership of these committees, along with Council and committee meeting attendance for the year, appear in Annexure A (p80) of this annual report.

## Council Members



**Chairperson**  
Eugene Ebersohn  
**Sasbo**



**Deputy Chairperson**  
Ronald Ramabulana  
**Absa Bank**



Ben Venter  
**Sasbo**



Eugene Zeeman  
**IBSA**



Hennie Ferreira  
**Micro Finance SA**



Isaac Ramputa  
**Sasbo**



Jenny Jeftha  
**South African Reserve Bank**



Gcobani Fipaza  
**FirstRand**



Sipho Ngidi  
**Standard Bank**



Vanessa Hattingh  
**Sasbo**



Shirley Zinn  
**Nedbank**



Nitasha Naicker  
**African Bank**



Joe Kokela  
**Sasbo**

#### d. Our People

The BANKSETA aspires to be recognised as a centre of excellence within its sector. With this in mind, the organisation benchmarks itself against other employers in the financial services sector, as well as against other SETAs. To attract and retain the best skills in a small and highly competitive marketplace, the BANKSETA makes significant investments in the development and wellbeing of employees.

During 2009/10, a total of R763 100 was spent on employee training and development, which equates to 6.8% of the total payroll budget. This is well above the benchmark of 1%.

The training programmes presented during the year demonstrate the BANKSETA's commitment to teamwork, professionalism and personal accountability. All employees, from the CEO to the receptionist and housekeeping personnel, attended a course in personal mastery and emotional intelligence. The entire team also attended project management training, designed to ensure consistent, efficient project management across the business. A third course that every member of the BANKSETA attended was on supply chain management, focusing on ethical and legally compliant sourcing that is guided by the Public Finance Management Act. Certificates were issued to staff after completing the three courses.

Recognising that it can be challenging to balance the demands of work and family, the BANKSETA has introduced an Employee Wellness Programme. This provides a professional, confidential personal support and information service, which is available 24 hours a day, 365 days a year. The purpose of the programme, on which R42 750.00 was spent during the year under review, is to equip employees with the skills to deal with everyday personal and professional situations while remaining productive at work.

The BANKSETA recorded a staff turnover rate of 16% during the year, compared to 28% in the previous year. In all, five employees left the organisation, three of whom were in administrative positions and two in

specialist positions. A total of eight new appointments were made, bringing the staff complement at the end of the year to 31.

As a leading advocate of transformation in the sector, the BANKSETA seeks to be a role model in implementing employment equity. Annexure B: Human Resources in 2009/10 (p82) illustrates the equity profile of employees as at 31 March 2010.

#### e. Customer Satisfaction Survey

Each year since 2001, the BANKSETA has commissioned an independent Customer Satisfaction Survey to test the quality of service delivery against customer expectations. The results of each annual survey are fed into the corporate strategy and the Balanced Score Card, ensuring that the findings are translated into action, whether to further improve winning practices or to address areas needing improvement. In this way, the BANKSETA has succeeded in achieving steady increases in customer approval ratings over the years. As a result, the 2009/10 Customer Satisfaction Survey was conducted from a high base score, reflecting years of incremental upward movement.

This did not stop the BANKSETA from raising the bar yet again. In the view of customers, as measured by the 2009/10 survey results, the organisation has continued to lift its already strong performance in several important areas. One was the quality of the BANKSETA's training providers and international partners on the development programmes specifically. Another highly rated area was the course content of programmes, which many customers regard as valuable. A third strength was the usefulness and relevance of BANKSETA forums. While noting these positive results, the BANKSETA is also addressing the few areas that customers highlighted as being in need of improvement.

#### f. Sustainability

The BANKSETA is a responsible corporate citizen that strives to make a positive social, environmental and economic impact. Sustainability imperatives and objectives are intrinsic to the organisation's skills development mandate in the banking and microfinance

sector. Over and above this, the BANKSETA strives to be a transformation role model by promoting employment equity, preferential procurement and corporate social investment (CSI), among other elements of economic empowerment.

In terms of CSI, the BANKSETA's flagship project is the support provided to a selected charity in December each year. Annually at this time, the BANKSETA selects a worthy cause to support instead of printing festive season cards. The choice is made by the BANKSETA staff, who vote for the charity of their choice. In December 2009, the Babies Behind Bars initiative received the most votes and the BANKSETA responded by providing baby food and formula to the value of R10 000. The organisation also took part in the Cell C Take a Girl Child to Work initiative in May 2009 and in Mandela Day activities on 18 July 2009.

A growing focus of the business is on expanding its geographic footprint while using resources in an environmentally responsible way. Every effort is made to recycle paper and used ink cartridges.

The BANKSETA Team

BANKSETA COUNCIL



**CEO**  
Max Makhubalo



**PA**  
Precious Sikhosana



**Corporate Services Manager**  
Christine Fritz



**HR Manager**  
Dimakatso Seete



**ETQA Manager**  
Karen Hobbs



**Development Programmes Manager**  
Lynette Mentor



**Skills Development Manager**  
Trevor Rammitwa



**Learning Programmes Manager**  
Paulette Bourne



**Marketing & Communication Manager**  
Kaamini Reddy



**Specialist**  
Caroline King



**Administrator**  
Silindile Bulunga



**Specialist**  
Charmaine Janisch



**Specialist**  
Auma Nnane



**Head of Research**  
Siphelo Ngcwangu



**Specialist**  
Deerani Naidoo



**Specialist**  
Isabel de Necker



**Specialist**  
Mary Baloyi



**Housekeeper**  
Portia Kekana



**Specialist**  
Jollette Le Roux



**Specialist**  
Madeleine Pelzer



**Specialist**  
Sharissa Naicker



**Specialist**  
Nobuzwe Mangcu



**Receptionist**  
Paulina Shai



**Housekeeper**  
Thelma Baloyi



**Administrator**  
Kgomoitso Khoale



**Administrator**  
Mirriam Chauke



**Specialist**  
Sharon Mokgwathlheng



**Administrator**  
Nyeko Mayimela



**Administrator**  
Rozah Magamba



**Specialist**  
Ayanda Maki



**Administrator**  
Mabellyne Lenyai

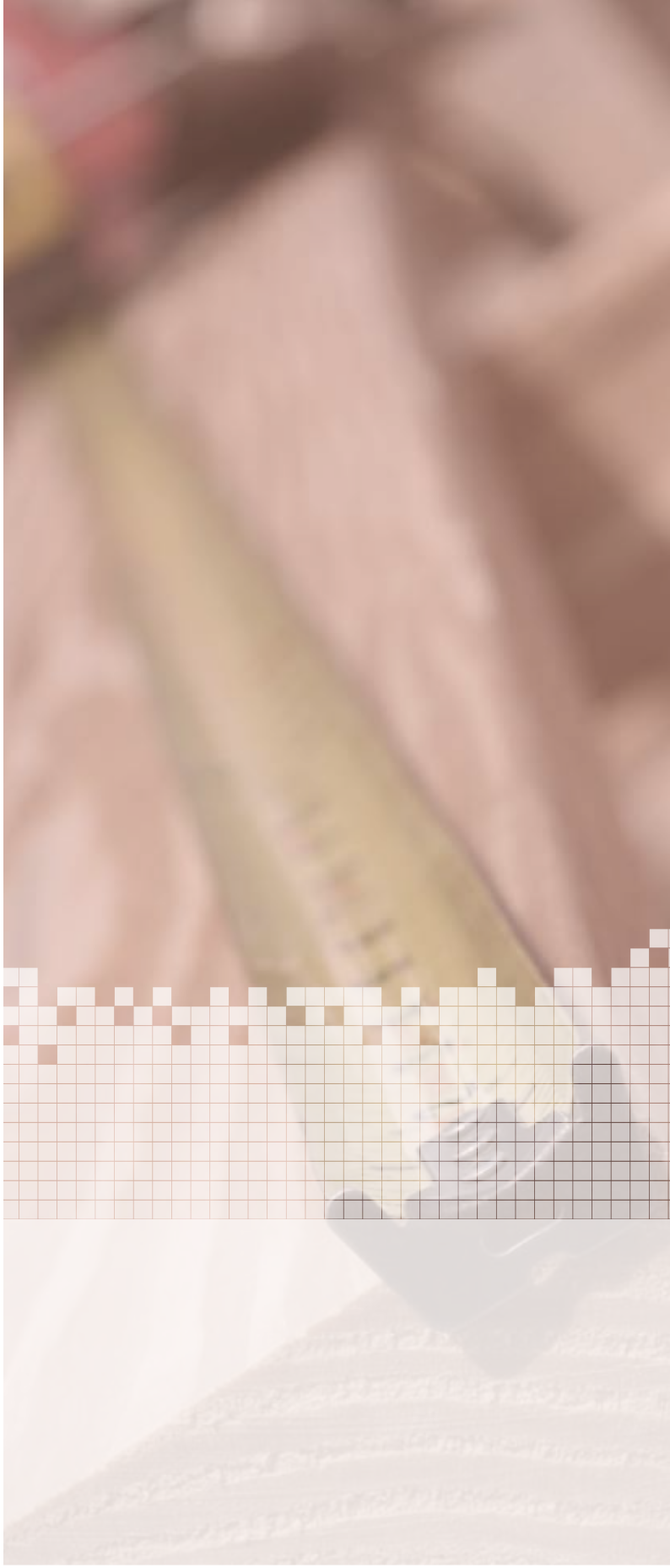


# Operations

Role of the Core Departments  
Role of the Support Units

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# Operations

The BANKSETA is a small, agile organisation consisting of four core departments that deliver services to stakeholders in the sector and three units providing support services. As at 31 March 2010, the core departments were Learning Programmes, Development Programmes, Skills Development and SME Support, and Education and Training Quality Assurance (ETQA). The support units were Marketing and Communication, Corporate Services and Human Resources.

## Role of the core departments

### a. Learning Programmes

This department promotes, supports and implements new and existing skills development initiatives for BANKSETA stakeholders, including existing employees, new entrants and potential new entrants, as well as employers in the broader Banking and Microfinance sector. It oversees the implementation of sector-appropriate learning programmes, including learnerships, internships, work readiness programmes and bridging programmes that target both employed and unemployed learners. Refer to Annexure C: Registered and De-registered Learnerships (p 84).

### b. Development Programmes

Development Programmes co-ordinates the leadership and management development programmes that the BANKSETA funds for the banking and microfinance sector. During the 2009/10 financial year, the emphasis was on the International Executive Development Programmes and the Junior and Middle Management Programme, as well as the funding of Master's and Executive short courses and doctoral and post-doctoral studies. Another important step was the establishment of the Discretionary Grant Funding Window project for discretionary grant applications.

Project management and administration at the BANKSETA are centralised within this department, which maintains the Project System and is responsible for project management policy, procedures and the quality management system. A key responsibility is formulating and implementing the BANKSETA Discretionary Grant Policy.

### c. Skills Development and SME Support

The department, which is the sector's point of contact for workplace skills plans and annual training reports, manages the BANKSETA's research strategy and compiles the annual list of scarce skills for the sector. The team also promotes SME participation in skills development and manages strategic projects funded through discretionary grants.

Employers registered with the BANKSETA were required to submit their annual workplace skills plans and annual training reports on or before 30 June 2009. The high success rate achieved can be ascribed to the vibrant culture of participation in the sector and the BANKSETA's practice of holding workshops and one-on-one meetings with stakeholders who request this. The availability of the online submission service also makes it easier and quicker for employers to submit their reports.

In partnership with Micro Finance South Africa (MFSA), the BANKSETA held contact sessions for micro financiers in all nine provinces, reaching 506 delegates. Over and

above these sessions, a series of one-day workshops was held on topics such as the National Credit Act and the Magistrates Act, understanding and reporting on black economic empowerment, and the measurement of productivity. Furthermore, the BANKSETA enabled 20 delegates from various microfinance institutions to attend an international conference with a focus on Africa.

#### d. Education and Training Quality Assurance (ETQA)

The BANKSETA ETQA is accredited by the South African Qualifications Authority (SAQA) for the purpose of monitoring and auditing achievements in the banking sector. Its responsibilities are to accredit education and training providers, promote the introduction of qualifications into the sector, support the sector in complying with banking legislation and regulations, and maintain its own SAQA accreditation.

In one of the quality assurance highlights of the year, the Board of SAQA awarded full ETQA accreditation status to the BANKSETA. The awarding of full accreditation was announced on 15 March 2010. In the process leading up to the awarding of accreditation, SAQA commended the BANKSETA on many of its processes being Best Practice.

The process of moving from provisional accreditation to full accreditation spanned 15 months and started with an analysis of SAQA's 2008 performance audit findings and consultation with training providers in the sector about the need for change. This set the scene for the development of the new ETQA operating model, further consultation within the banking and microfinance sector and the introduction of new functionalities. These include stakeholder education services to help providers achieve accreditation, as well as the introduction of a full-time resource for on-site monitoring and training provider audit functions. A pilot user testing with sector providers accompanied each stage of the new model.

Another achievement stemming from the introduction of the new operating model was the increase in the number of secondary providers (meaning other SETA providers who are accredited by the BANKSETA for learning programmes based on BANKSETA qualifications). The

number had risen from zero to 12 by the end of the financial year. In line with the applicable memoranda of understanding, the BANKSETA ETQA only monitors the quality assurance of the specific learning programme, while the primary SETA continues to monitor the quality of the organisation's provider accreditation.

Accrediting new training providers is an important function of the BANKSETA ETQA. In 2009/10, an additional 15 providers were accredited, bringing the total number of BANKSETA-accredited providers to 55.

### Role of the Support Units

#### a. Marketing and Communication

As shown in the findings of the 2009/10 Customer Satisfaction Survey, there is a great need among stakeholders in the sector for timely, quality information on BANKSETA initiatives. In response, a concerted effort has been made to strengthen the capacity of the Communication and Marketing team through selective recruitment, complemented with training and development. This enabled the department to maintain the BANKSETA's high media profile during the year under review. That profile, supported by good corporate governance and a strong track record of delivery against NSDS targets, continues to contribute to the BANKSETA's standing as one of the top SETAs in the country. Internal communication was also addressed in the financial year, when the BANKSETA implemented an internal newsletter and an intranet site.

#### b. Corporate Services

This department is responsible for the BANKSETA internal operations, corporate governance and payment of mandatory grants.

In the sphere of governance, Corporate Services is responsible for financial and resources management, strategic and business planning, reviewing the policies on office administration and corporate governance, coordinating internal and external audit, supporting Council, and reporting to the National Treasury and Department of Higher Education and Training. During 2009/10, the unit ensured that the BANKSETA met

its statutory reporting deadlines and that governance processes and structures were running efficiently and effectively.

In respect of mandatory grant payments, Corporate Services oversaw the BANKSETA's transactions with a total of 552 levy-paying companies.

#### Information Technology

Information Technology's main role is to support the BANKSETA to perform its daily operations and provide IT applications that support access to and delivery of information. During 2009/10, the unit streamlined information flow and management by completing several projects aimed at assisting internal and external stakeholders:

- A new online registration portal was designed and implemented to allow for the registration of assessors and moderators through the internet.
- A new research portal was designed and introduced. Its features include a blog that allows the knowledge management community to communicate.
- Internally, end-of-life notebooks were replaced, which helped improve the efficiency and professionalism of the organisation.
- The FAIS e-Revision portal was developed and launched to assist stakeholders in preparing for the first-level Regulatory Exams.

#### Supply Chain Management

Supporting Black Economic Empowerment (BEE) suppliers is another way of promoting diversity and transformation within the sector. During the 2009/10 financial year, the BANKSETA spent R1 232 346.40 on purchasing goods and services from historically disadvantaged individuals. This calculation is in accordance with the preferential points system used in the Preferential Procurement Policy Framework Act (Act No. 5 of 2000), on which the BANKSETA's procurement policy is based. In other words, the BANKSETA's empowerment calculation is limited to acquisitions over R30 000. The scope for awarding preferential points will be broadened once the National Treasury and the Department of Trade and Industry have aligned the preferential procurement procedures with the Broad-Based Black Economic Empowerment Act.

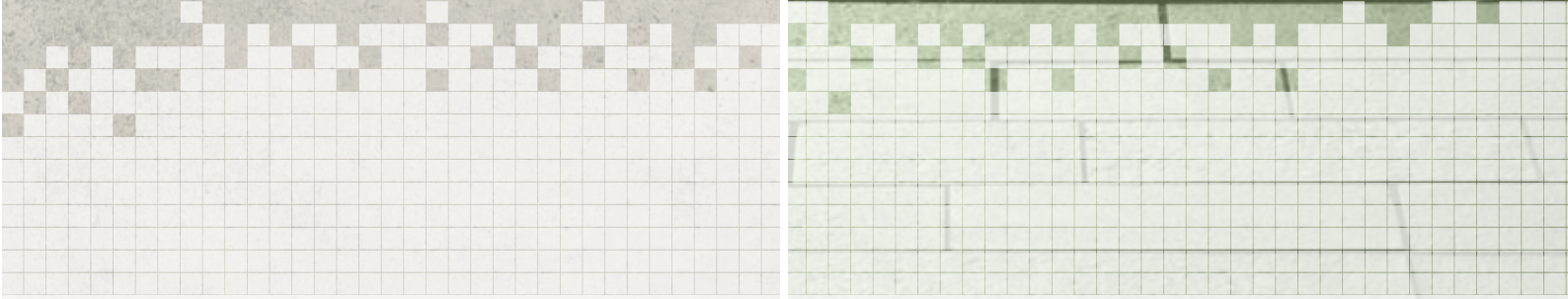
#### Mandatory Grants

The BANKSETA had 461 SMEs and 91 medium and large organisations registered as levy paying companies in the 2009/10 financial year. The BANKSETA continued its excellent track record in paying mandatory grants to member organisations that participated in skills development. During 2009/10, a payout rate of 96% was achieved, compared to 96,76% in the previous year. Payments were made in September 2009, December 2009 and March 2010. A total amount of R200 867 000.00 was paid out for mandatory grants.

### c. Human Resources

The focus of Human Resources (HR) within the BANKSETA is to take the initiative as a full strategic partner within the organisation, as opposed to simply providing routine administrative services. As a strategic partner, HR focuses on aligning the operations of the organisation with its culture, vision and values. Such alignment is key to realising the optimal overall performance of the organisation. Another priority is to assist employees in maintaining a healthy work and private life balance. There is also a major emphasis on continuous learning, as demonstrated by the significant investment made in the development of the BANKSETA's employees.

# Reach



a. Provincial Footprint	20
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# Reach

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## a. Provincial Footprint

With its head office in Gauteng, the BANKSETA is committed to developing and establishing a presence in all nine provinces of South Africa. This is being achieved through a multi-pronged strategy, which includes opening Centres of Excellence in partnership with historically disadvantaged institutions of higher learning, supporting Provincial Skills Development Forums and strengthening relationships with provincial stakeholders.

### Provincial Skills Development Forums

In 2009/10, the Provincial Skills Development Forums were strengthened through the Skills Development Amendment Act 2008 and the InterSETA summit motivating interSETA collaboration. As a result, the formal establishment of provincial InterSETA clusters or forums grew, further enhancing the relationships and provincial synergy between relevant SETAs. As part of the SETA community, the BANKSETA has actively participated in these forums.

### Mobile Training Solution

To extend the BANKSETA's footprint into the rural areas of South Africa, a mobile training service was launched in Mpumalanga as a pilot project during the year. The pilot reported indicated that the model works well and plans are under way to introduce this solution to other provinces as well.

## b. Centres of Excellence

In February 2010, adding to the three Centres of Excellence launched in the previous financial year, the BANKSETA

celebrated the launches of the University of Fort Hare and North-West University as BANKSETA Centres of Excellence. As a result, five Centres of Excellence were in place as at 31 March 2010, ensuring that the BANKSETA met the five-year target set in the NSDS II.

The University of Fort Hare project provides funding support to the Financial Markets Programme (FMP) at the University of Fort Hare by enhancing the capacity of the Economics Department on the East London campus to the value of R2.4 million. Bursaries are granted to honours students, which ultimately supports the entry of critical economics skills to the banking and microfinance sector. The bursaries cover the cost of the South African Institute of Financial Markets (SAIFM) examinations, which are the professional exams students write to qualify as brokers and dealers in financial instruments at the end of their programme. The University of Fort Hare is one of the first universities in South Africa to have this facility for training students in live trading of equities, derivatives, bonds and foreign exchange. In the 2009 academic year, the BANKSETA was supporting 20 students through this initiative.

The North-West University project is being undertaken in collaboration with the South African Institute of Chartered Accountants (SAICA). Its aim is to address the need for high-level financial skills within the North-West Province, as well as in the banking sector, by enhancing the capacity of the Mafikeng campus of the North-West University in the critical skills field of Chartered Accountancy. The BANKSETA's funding of this Thuthuka Education and Upliftment Fund intervention was valued at R5 million for the 2009 academic year. In that year, the project supported

114 first and second year students through bursaries to assist in paying for accommodation and tuition fees.

The BANKSETA does not view these projects as “once-off” funding gestures but plans to continue supporting them, depending of course on the changes in the SETA landscape within the next year. By supporting the universities in this manner the aim is to strengthen the economic viability and sustainability of the institutions in the long term.

### c. Research

Decisions such as where to branch out into new areas, geographically or in terms of skills development offerings, are informed by research that the BANKSETA carries out or commissions. By way of example, research has been playing a key role in enabling the organisation to extend its provincial footprint beyond Gauteng, Cape Town and Durban. Specifically, through its research, the BANKSETA has been able to select Centres of Excellence that will enable the organisation to have the greatest possible impact on the development of critical skills among marginalised communities.

Based on additional research and an analysis of employers’ workplace skills plans and annual training reports, the BANKSETA prepared the annual Sector Skills Plan, which was submitted on time to the Department.

The 2009/10 scarce skills list was published, with Information and Communications Technology (ICT) topping the list. This prompted the BANKSETA to initiate the ICT Skills Support project. First, a focus group was

conducted and two priority areas were identified, ICT business analysis and ICT project management. 31 learners were then enrolled for business analysis and 29 for ICT project management.

A clearer picture of the sector’s skills supply and demand dynamics emerged in July 2009 when the BANKSETA published a research report. The report depicts both the supply and demand sides drawing from quantitative data collected and the key informant interviews that were carried out. This report has been widely distributed in and outside the sector.

Also in July 2009, the BANKSETA launched an electronic research portal with the aim of disseminating its research as widely as possible. For the period under review, 2 164 individuals or organisations registered to access the research published on the portal.

In February 2010, BANKSETA sent a five-person delegation from the sector to attend the Techno Conference presented by the American Society on Training and Development (ASTD). The aim was to research and benchmark best practices in the latest and future technologies that aid learning and development. This knowledge will assist in identifying platforms that will increase the scale and reach of learning interventions and reduce the associated costs.

# Delivery

- a. Service Level Agreement (SLA)
- b. Discretionary Projects

24  
24

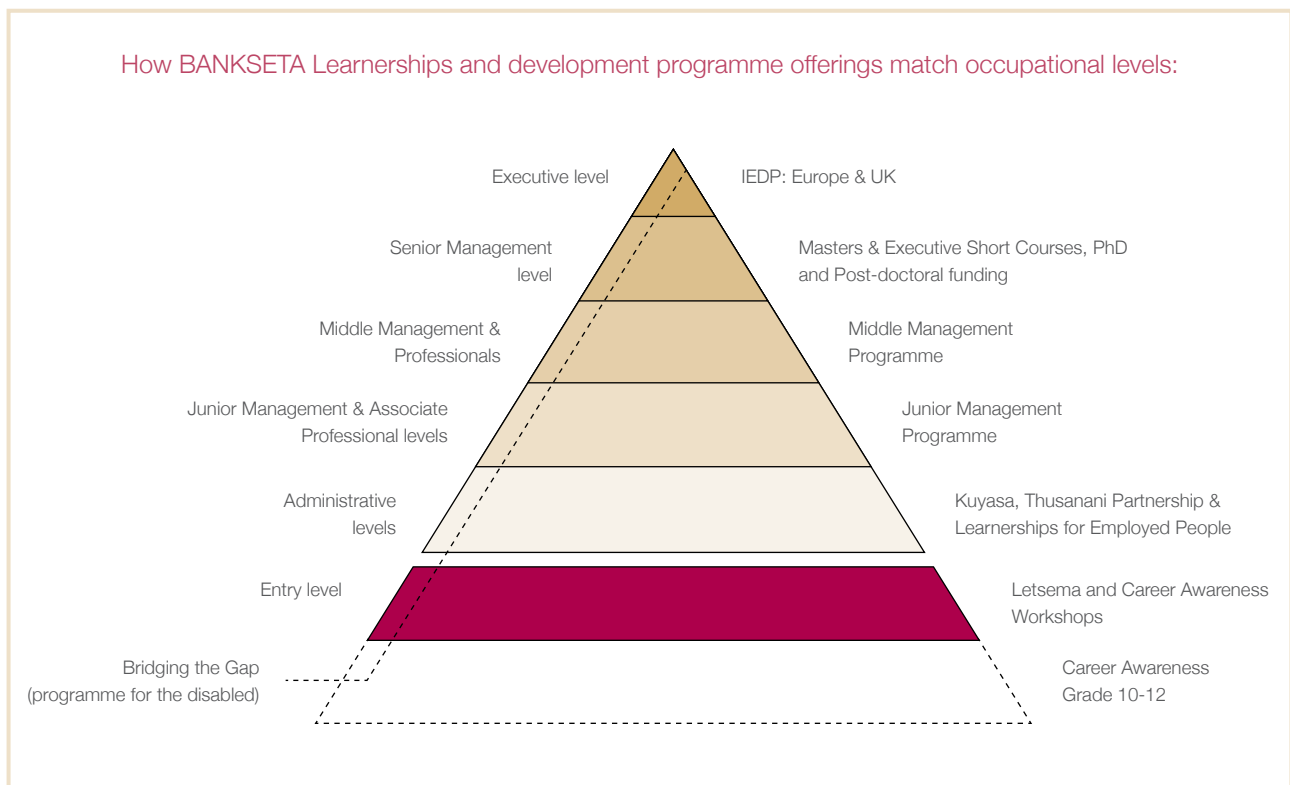


# Delivery

On 31 March 2010, the BANKSETA completed its tenth year in operation, having initially been established on 1 April 2010. Throughout this decade-long period, the organisation has been regarded as one of the top-performing SETAs, consistently meeting and often exceeding its annual performance targets.

One of the characteristics that distinguish the BANKSETA is the scope of its product range. The BANKSETA's portfolio of products runs from entry level right through to the senior management and executive levels in the sector. These offerings start with learnerships that give post-matriculants and graduates access to accredited workplace training through to executive development programmes for high-potential managers. The BANKSETA is also the first SETA to have introduced funding for doctoral and post-doctoral studies.

The following diagram illustrates the BANKSETA's layered approach to skills development in the sector.



### a. Service Level Agreement (SLA)

In the 2009/10 financial year, the BANKSETA underwent a change in its reporting lines. More specifically, in November 2009, the Department of Labour handed responsibility for the SETAs over to the newly established Department of Higher Education and Training. This was essentially an administrative change and did not affect the Service Level Agreement that BANKSETA had in place for the year under review.

Building on its track record in previous years, the BANKSETA exceeded the majority of the targets set in the SLA for the period ending 31 March 2010. The organisation scored more than 120% against almost all of the targets set. A comprehensive comparison of the BANKSETA's performance against SLA targets for the year can be found in Annexure D: BANKSETA NSDS 2009/10 Achievements (p86).

### b. Discretionary Projects

#### Adult Basic Education and Training

During the year, 243 employees in the sector registered for ABET levels one to four and 366 employees successfully completed one or more of these levels. For each level, the number of employees who registered or completed the training was significantly above the target set. In addition, for the first time, graduation ceremonies were held for learners who successfully completed their training.

#### Career guidance

In partnership with the KwaZulu-Natal Department of Education, the BANKSETA held a series of workshops and seminars for Life Orientation educators. In all, the workshops reached 1 043 schools in seven districts in the province. Through another partnership, this time with Junior Achievement South Africa, the BANKSETA presented career guidance seminars for school learners in Ficksburg in the Free State, Belfast in Mpumalanga, Tzaneen and Thohoyandou in Limpopo Province and East London in the Eastern Cape. The BANKSETA also participated in career guidance sessions in Manenberg and Khayelitsha in the Western Cape.

#### HIV/AIDS support

Recognising that HIV/AIDS has the potential to erode some of the gains made in the sector, the BANKSETA

Council approved R1 000 000 in funding for HIV/AIDS awareness projects in 2009/10. The aim is to help retain existing skills and raise awareness so as to prevent new infections while providing advice to people already living with HIV/AIDS. Ten companies applied for the grants and reported to the BANKSETA on the impact of the funding.

#### Mobile training solution for SMEs

This project was initiated to reach the employees of microfinance SMEs in rural and outlying areas of South Africa, offering training in the National Credit Act, credit management and basic computer literacy. The facility used is a bus with 18 touch-screen computers, a big screen television set and office equipment such as photocopiers. After a successful launch in Middelburg, Mpumalanga in February 2010, the BANKSETA bus proceeded to a series of other Mpumalanga destinations, including Belfast, Ermelo, Mokopane, Tzaneen and Thohoyandou. The pilot report indicated that the model works well and plans are under way to roll this out to other provinces.

#### Building a Better Business

The 2009/10 project focused on the provision of tailor-made consulting services to participating SMEs, with the aim of improving their organisational capacity to meet their business objectives. In all, 32 companies were reached; the service provider was also required to enable one black-owned company to deliver the same consulting service.

#### SME Skills Development Toolkit

This toolkit was developed to support skills development and business performance improvement of microfinance SMEs, especially those in outlying areas. The toolkit uses a blended learning approach by allowing for the use of multimedia platforms. These include text articles and case studies, videos and audio presentations in Isi-Zulu, Sepedi and Afrikaans. It also has a distance education gateway to guide beneficiaries should they opt to study further towards formal qualifications. The toolkit will be distributed in the coming financial year.

#### Training Voucher Project

Designed to encourage SMEs in the Banking and Microfinance sector to register with the BANKSETA, the Training Voucher Project targets levy paying and non-levy paying SMEs. The following table shows applications approved, vouchers issued and vouchers redeemed in the year ending 31 March 2010.

## Beneficiaries of the Training Voucher Project in 2009/10

		Numbers	Amount
1	SME applications approved	207	R2 417 104
2	Vouchers issued	952	R2 417 104
3	Total value of vouchers redeemed	858	R2 179 510

**LETSEMA learnership**

During 2009/10, the BANKSETA celebrated the graduation of the sixth intake of post-matriculant learners on the LETSEMA programme. LETSEMA, meaning “cooperative venture” in Sesotho, was initiated in 2005 as part of the banking and microfinance sector’s commitment to the Financial Services Charter (FSC) and in support of the Growth and Development Summit agreements. The aim of the project was to place 5 000 unemployed learners on a learnership by the end of March 2010. The BANKSETA has significantly exceeded this target. In fact, counting the seventh intake in February 2010, approximately 6 100 learners have been cumulatively recruited and placed nationally.

**KUYASA learnership**

Since the launch of the KUYASA programme, meaning “the beginning of a new day” in Xhosa, unemployed graduates have been in high demand within the broader Banking and Microfinance sector. One of the innovations of this particular offering is that a new scarce skill is targeted every year and thus far, graduates have been exposed to Management Development and Credit and Risk. To date, KUYASA’s intake has been in excess of 1 000 learners and the aim is to groom the pipeline to address scarce and critical skills within the sector.

Whilst completing a learnership does not guarantee permanent employment, the track record for absorbing LETSEMA and KUYASA learners into the sector has been approximately 75% to 85%. This is a statistic of which the sector can be proud, particularly host employers, whose involvement is crucial to the success of the learnerships.

**Employer-driven interventions**

Despite the recession, which significantly affected the income of many employers within the banking sector, employer-driven training continued and was given additional impetus from the BANKSETA through learnership grant funding windows. There are three

categories of offerings, namely niche unemployed learnerships grant funding, niche employed learnerships funding and scarce skills funding. For the two niche categories especially, the emphasis is on encouraging employers to train people with disabilities in skills areas which match the companies’ core functions.

In 2009/10, employers responded positively across all three categories, as the following statistics show:

- Niche employed learnerships: 20 applications were received and a total of R10 560 000 was paid out to employers to implement learnerships to build the technical skills of employed staff. Approximately 400 beneficiaries were supported through this intervention.
- Niche unemployed learnerships: 10 applications were received and R12 460 000 was paid out so that employers could implement learnerships to build the technical skills of unemployed people. Approximately 250 beneficiaries were supported.
- Scarce skills funding: 13 applications were received and R6 101 252 was paid out to employers to implement learnerships that address critical and scarce skills within the sector. Approximately 400 beneficiaries were supported.

To optimise the impact of these offerings, the Learning Programmes department paid quality assurance site visits to engage employers, training providers and beneficiaries on additional support required. In this way, employers benefited from positive feedback on how they could enhance their programmes while the BANKSETA was able to strengthen its stakeholder interaction.

**Work-based experience programmes**

The BANKSETA introduced another grant to test the types of innovative interventions in place to address unemployment. Employers were invited to access a work-based experience grant with the aim of placing

unemployed graduates onto a programme. This grant type is aimed at giving these graduates hands-on exposure in the field in which they want to work, ensuring the best match between student skills and personality and the company culture, thus ultimately facilitating full-time placements.

This process has given the Learning Programmes team tremendous insight on how to replicate and upscale an intervention that will create more synergy between providers of formal curricula and banking industry requirements.

#### Discretionary Grant Funding Window project

Introduced in 2009/10, this project allowed BANKSETA registered employers to apply for discretionary grants for their employer-initiated development projects. In all, 55 applications were received and 25 applications to the value of R16 284 375.00 were approved for employers in five regions. The project reached over 3 500 beneficiaries in all nine provinces.

#### International Executive Development Programme (IEDP) Europe

In 2009/10, the IEDP Europe replaced the IEDP Canada that ran in the previous year. The BANKSETA delivered the new programme in partnership with a local business school and an international one. The South African partner was the Gordon Institute of Business Science (GIBS) of the University of Pretoria, while the international partner was the Rotterdam School of Management (RSM) of Erasmus University in Rotterdam. The 20 delegates who attended the 2009/10 programme explored the following action learning topics: Recommendations for Alternate Retail Banking Pricing Principles in South Africa; Credit Rating Agencies; A lending product targeting low cost housing consumers and, Improving the current savings culture within the target population of LSM Groups 1-5 in South Africa.

#### International Executive Development Programme (IEDP) United Kingdom (UK)

The IEDP UK continued unchanged in 2009/10. As with the Europe programme, the BANKSETA delivered this programme in partnership with a local and an international business school. The local partner was the University of the Witwatersrand Business School (WBS), with Cass Business School City University in London as

the UK partner. The 20 delegates who participated were exposed to business practice at Rothschild, Goldman Sachs, Standard Chartered, Bank of England and the International Financial Services (IFSL) London. These delegates explored the following topics: a SWOT analysis of securitisation in South Africa; Lessons from the South African experience in escaping the worst of the global banking crisis; Non-traditional banking models and, Major threats facing commercial banks over the next five years.

#### Junior and Middle Management (JaMM) Phases II to IV

This programme concluded in December 2009 with 515 delegates having graduated from the Institute of Bankers (IoB) programme. To take the programme to the next level, meaning to a full qualification, a tender process was initiated to appoint a provider. The new programme will be implemented by Milpark Business School in 2010.

#### Master's and Executive short course funding

There has been an increase in demand in the sector for Master's funding as a result of the BANKSETA's successful efforts to market it. This project, which funds courses at Higher Education Institutions (HEI), increased in scope during 2009/10. Some 31 employers applied for funding and 23 participated, with beneficiaries in eight provinces. A total of R5 859 938.00 was allocated for the period under review.

#### Doctoral and post-doctoral funding

In a first for the SETA environment, the BANKSETA introduced funding for doctoral and post-doctoral studies. The starting point was the constitution of a panel to advise BANKSETA on the approval and distribution of funding. During 2009/10, 16 PhD proposals were received from 11 universities in six provinces. BANKSETA has 12 Memoranda of Agreement (MoA) with universities, including two historically disadvantaged universities, namely the University of Venda and the University of the Western Cape. Thus far R422 832.00 has been committed through Memoranda of Agreement.

#### National Payments System

The BANKSETA initiated this project in collaboration with the Payments Association of South Africa (PASA). The National Payments System is the backbone of the banking sector and so this is a critical project for retaining and disseminating knowledge in the sector. The project entails funding the development of a foundational course that will

explore the fundamentals of the South African payments system, the legislative framework and role players. This project will conclude in the next financial year.

#### FAIS revision portal

The BANKSETA initiated this project with the purpose of making a revision platform available to the industry in preparation for the First Level Regulatory Examination. This portal gives learners 24-hour access to learning content and allows them to study and prepare for the examination at their own time and at their own pace.

The learning is delivered via the Internet by means of a link from either the employer's intranet or from the BANKSETA's website. The learning is designed to address each of the qualifying criteria on which the First Level Regulatory Examinations are based, and should therefore give the learner sufficient and relevant content, as well as assessment feedback and scenario practice, in preparation for the examination.

#### Quality Council for Trades and Occupations (QCTO)

The QCTO framework will play an increasingly important part in the skills development in the banking and microfinance sector. In support of this, the BANKSETA ETQA funded and managed two separate areas of QCTO curricula and qualifications during 2009/10. After intensive involvement by the inter-bank community, the QCTO Bank Worker curriculum and qualification was completed and submitted to the QCTO for registration. The QCTO Credit/Loan Officer curriculum and qualification for the microfinance industry was completed to the scoping stage with the sector.

Providers often struggle to adapt their processes to the requirements of accreditation and as part of ETQA's new developmental function, 37 providers have been assisted with stakeholder education visits to assist their progress toward full accreditation. Experienced assessors and moderators play a vital part in the sector achievement of quality standards, and despite the more rigorous criteria under the new operating model, 41 new assessors and 47 new moderators have been registered by ETQA.

# Annual Financial Statements

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# Annual Financial Statements

Each year, on or before 31 May, the BANKSETA provides the Auditor-General with annual financial statements as legislated by the Public Finance Management Act (PMFA). These annual financial statements are prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements are approved by the Accounting Authority.

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The annual financial statements are prepared in a format prescribed by the Department to achieve consistency in presentation, as far as possible, with other SETAs. The annual financial statements are set out on pages 28 to 78 of this report.

# Statement of Responsibility

BANKSETA Annual Report 2009/10

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The Annual Financial Statements for the year ended 31 March 2010, have been approved by the Accounting Authority on 27 July 2010 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:



Max Makhubalo  
Chief Executive Officer



Eugene Ebersohn  
Chairperson



# Auditor-General's Report

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PREDETERMINED OBJECTIVES OF THE BANKING SECTOR EDUCATION AND TRAINING AUTHORITY FOR THE YEAR ENDED 31 MARCH 2010

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

I have audited the accompanying financial statements of the Banking Sector Education and Training Authority (BANKSETA), which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets, statement of comparison of budget and actual amounts, and cash flow statement for the year then ended, and a summary of significant accounting policies, other explanatory information and the accounting authority's report.

#### Accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

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

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the BANKSETA as at 31 March 2010, and its financial performance, and its cash flows for the year then ended and its statement of comparison of budget and actual amounts in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa.

### Additional matter

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

### Re-licensing

As indicated in the accounting authority's report the SETA's were established for a five-year period until 31 March 2010. However, this licence was renewed by the Department of Higher Education and Training until 31 March 2011. A final proclamation with regard to the new SETA landscape is expected in October 2010.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

### Findings

#### Predetermined objectives

No matters to report

#### Compliance with laws and regulations

No matters to report

## INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported are limited to the deficiencies identified during the audit.

No matters to report

### Investigations in progress

BANKSETA has instituted a special investigation of discretionary grant payment made during the 2009-10 financial year to an underperforming service provider to determine potential fruitless and wasteful expenditure. The investigation was still ongoing at the reporting date.

*Auditor-General*

Pretoria

31 July 2010



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# Audit Committee Report

Report of the Audit Committee required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act, No. 1 of 1999, as amended by Act 29 of 1999

The BANKSETA hereby presents the report for the financial year ended 31 March 2010

## a. Introduction

The BANKSETA and its Council are committed to the highest standards of sound corporate governance principles and practices in South Africa. This is avouched by its notably ethical behaviour and ongoing fine tuning of the prevailing corporate governance principles and practices. The Audit Committee's composition and activities are fully compliant with the requirements of the Public Finance Management Act and it endeavoured to exceed the requirements of the Act.

## b. Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current financial year 4 meetings were held.

Name of member	Number of meetings attended
Hennie Ferreira – MFSA (Chairperson) (Resigned 20 Jan 2010)	2
Marle van der Walt – Investec (Appointed 13 May 2009)	3
Nitasha Naicker – African Bank (Chairperson) (Appointed 04 November 2009)	2
Leela Ramdhani – Nedbank (Resigned 02 September 2009)	2
Shaheema Suliman – ABSA (Appointed 19 May 2010)	

Furthermore, at least one representative from the Auditor-General's office, the outsourced internal audit service provider, the finance office and management are present at all Audit Committee meetings, regardless of whether or not the agenda items directly concern the audit of the SETA's Financial Statements.

## c. Audit Committee responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

## d. The effectiveness of internal control

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 PFMA and the King III Report on corporate governance

requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and the management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

#### e. Evaluation of annual financial statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices; and

The Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

*Nitasha Naicker*

Nitasha Naicker  
Chairperson

# Accounting Authority's Report

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

## a. 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 2011. The objective of the BANKSETA is to develop skills in and for the broader banking and microfinance industries in South Africa. 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 microfinance 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.

BANKSETA's 80% levy income decreased by 0.4% from R329 331 000 for the 2008/09 financial year to R328 143 000 for the 2009/10 financial year. The administrative surplus is R3 593 000 (2008/09 – R12 769 000) and the actual administration levy income for the current financial year is R40 022 000 (2008/09: R41 984 000).

As in all the previous financial periods, there was increased spending on discretionary projects (2009/10: R155 000 000, 2008/09: R98 900 000). The mandatory grant payout percentage for the financial year was at 96.28% (2008/09: 97.79%).

All project related costs are directly allocated to projects and are not allocated to operational expenditure. BANKSETA has allocated approximately 100% (2008/09: 96%) of its available surplus funds as at 31 March 2010. The remainder of the available surpluses will be allocated during the 2010/11 financial year.

Refer to the annual financial statements for more detail.

## b. Payments and remuneration in the BANKSETA

## Members of the Accounting Authority

Note: The payments indicated below are paid to the nominating organisations and not to the individual representatives. All payments are in respect of Council meeting or Committee meeting attendance fees.

Name	Constituency	Amount
E Ebersohn	SASBO	R5 200
S Ngidi	SBSA	R5 400
H Ferreira	MFSA	R4 800
S Mthembu/G Fipaza	First Rand	R5 600
R Ramabulana	ABSA	R4 000
J Jeftha	SARB	R3 200
S Zinn	Nedbank	R2 400
I Ramputa	SASBO	R4 800
V Hattingh	SASBO	R7 200
J Kokela	SASBO	R1 600
B Venter	SASBO	R6 400
E Zeeman	IBSA	R5 600
N Naicker	African Bank	R3 200

## The Chief Executive Officer

Due to the nature of the BANKSETA, the Chief Executive Officer is also responsible for all financial matters.

Annual and other income	Amount (Pre-tax)	Notes
Pension	R113 086.57	
Medical	R21 303.00	
Base remuneration	R1 039 042.87	Included as part of package (car and subsistence allowances)
Total guaranteed cost-to-company package	R1 173 432.44	Benchmarked annually
Non-guaranteed (at risk) remuneration	R702 139.50	The BANKSETA incentive scheme is benchmarked and negotiated annually. The incentive is dependent on personal performance, SETA core function (department) performance, the results of an external evaluation of SETA performance and the retention strategy of BANKSETA.
Total guaranteed and non-guaranteed (at risk) remuneration	R1 875 571.94	

### c. Business address

#### Physical address

BANKSETA  
Thornhill Office Park  
Block No. 15  
94 Bekker Road  
MIDRAND  
1685

#### Postal address

P.O. Box 11678  
VORNA VALLEY  
1686

Call Centre 086 102 0002

Tel 011 805 9661

Fax 011 805 8348

Website [www.bankseta.org.za](http://www.bankseta.org.za)

### d. Events after the balance sheet date

There were no events subsequent to the balance sheet date and up to the date of approval of these financial statements that require any elaboration.

### e. Corporate governance

In terms of the Skills Development Act, total administration costs may not exceed 10% of total levies received. It gives me great pleasure to report that total administration expenditure in the BANKSETA is again running below the allowed 10%. Our aim has always been to run the BANKSETA on a lean and efficient basis and I attribute the SETA's success in this regard to the quality of people in its employ, the quality of its human resources practices and its sound business model.

The BANKSETA has an independent Audit Committee, which is satisfied that the necessary checks and balances are in place. The Audit Committee's functions are in line with the Audit Committee Charter and comply with principles of good corporate governance and the requirements of the Public Finance Management Act.

The functions of the Audit Committee include a review and an update of the risk analysis, by management and independently from internal audit. Also refer to the Audit Committee's report for detail.

A materiality framework is in place and no instance occurred during the year that required an implementation of the policy developed in the materiality framework.

### f. Re-licensing of BANKSETA

SETAs were re-established for a five-year period until 31 March 2010. The Department has subsequently renewed the licence of the BANKSETA for one more year until 31 March 2011.

### g. Soccer World Cup clothing and tickets

The Standing Committee on Public Accounts (SCOPA) has requested that the SETA disclose all expenditure relating to the Soccer World Cup. BANKSETA purchased 34 Soccer World Cup jerseys to the total value of R22 440 during October 2009 as part of the annual staff team building. The jerseys were BANKSETA branded.

BANKSETA did not incur any further expenditure relating to the Soccer World Cup clothing and tickets subsequent to the year end.



Eugene Ebersohn  
Chairperson

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
<b>Revenue</b>			
Skills Development Levy: income from non-exchange transactions	2	328 143	329 331
Skills Development Levy: penalties and interest from non-exchange transactions		1 016	937
Donations for special projects	14	12 044	23 884
Investment income	3	11 051	19 828
Other income	4	8	-
<b>TOTAL REVENUE</b>		352 262	373 980
<b>Expenditure</b>			
Employer grant and project expenditure	5	(355 495)	(298 592)
Administration expenditure	6	(36 437)	(28 215)
Special project expenditure	14	(12 044)	(23 884)
<b>TOTAL EXPENDITURE</b>		(403 976)	(350 691)
<b>NET (DEFICITS)/ SURPLUS FOR THE YEAR</b>	1	(51 714)	23 289



# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	812	1 089
Intangible assets	8	47	22
<b>Current assets</b>			
Accounts receivable from non-exchange transactions	9	887	286
Other accounts receivable	10	328	491
Cash and cash equivalents	11	125 792	150 535
Donor funding receivable	14.2	-	302
Consumables		87	39
<b>Total assets</b>		<b>127 953</b>	<b>152 764</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	12	12 250	11 576
Trade and other payables from non-exchange transactions	13	26 413	21 808
Donor funding received in advance	14	23 902	2 278
<b>Total liabilities</b>		<b>62 565</b>	<b>35 662</b>
<b>NET ASSETS</b>		<b>65 388</b>	<b>117 102</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Funds and reserves</b>			
Administration reserve		859	1 110
Employer grant reserve		202	210
Discretionary reserve		64 327	115 782
<b>TOTAL FUNDS AND RESERVES</b>		<b>65 388</b>	<b>117 102</b>

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Administration reserve R'000	Employer grant reserve R'000	Discretionary re- serve R'000	Unappropriated surplus R'000	Total R'000
<b>Balance at 31 March 2008</b>		859	55	92 891	-	93 805
Effect of change in Accounting Policy	21	8	-	-	-	8
<b>Restated balance</b>		867	55	92 891	-	93 813
Net surplus per Statement of Financial Performance		-	-	-	23 289	23 289
Allocation of unappropriated surplus	1	12 769	6 143	4 377	(23 289)	-
Excess reserves transferred to Discretionary reserve		(12 526)	(5 988)	18 514	-	-
<b>Balance at 31 March 2009</b>		1 110	210	115 782	-	117 102
Net surplus per Statement of Financial Performance		-	-	-	(51 714)	(51 714)
Allocation of unappropriated surplus	1	3 593	5 088	(60 395)	51 714	-
Excess reserves transferred to Discretionary reserve		(3 844)	(5 096)	8 940	-	-
<b>Balance at 31 March 2010</b>		859	202	64 327	-	65 388

An amount of R859 000 (2008/09:R1 110 000) is retained in the administration reserve equal to the carrying value of Property, plant and equipment, and intangible assets.

An amount of R202 000 (2008/09: R210 000) 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 and 16.3 for disclosure of this contingent liability.

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 R'000	2008/09 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating activities</b>			
Cash receipts from stakeholders		329 214	335 714
Levies, interest and penalties received		329 471	320 117
Other cash receipts from stakeholders		(257)	15 597
Cash paid to stakeholders, suppliers and employees		(398 296)	(379 112)
Grants and project payments		(350 294)	(311 740)
Special projects		(12 044)	(23 962)
Compensation of employees		(16 045)	(11 075)
Payments to suppliers and other		(19 912)	(32 335)
Cash utilised in operations	15	(69 082)	(43 398)
Interest received	3	10 865	19 624
Grants, transfers and funds received	14	33 668	23 640
<b>Net cash outflow from operating activities</b>		<b>(24 549)</b>	<b>(134)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	7	(194)	(594)
<b>Net cash outflow from investing activities</b>		<b>(194)</b>	<b>(594)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(24 743)</b>	<b>(728)</b>
<b>Cash and cash equivalents at beginning of year</b>	11	<b>150 535</b>	<b>151 263</b>
<b>Cash and cash equivalents at end of year</b>	11	<b>125 792</b>	<b>150 535</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Approved Budget 2009/10 R'000	Final Budget 2009/10 R'000	Actual 2009/10 R'000	Favourable/ (Unfavourable) variance 2009/10 R'000
<b>REVENUE</b>					
	26.1	306 240	306 240	328 143	21 903
	26.2	-	-	1 016	1 016
	26.3	11 000	11 000	11 051	51
		-	-	8	8
		<b>317 240</b>	<b>317 240</b>	<b>340,218</b>	<b>22 978</b>
<b>EXPENDITURE</b>					
	26.4	(278 960)	(278 960)	(355 495)	(76 535)
	26.5	(37 930)	(37 930)	(36 437)	1 493
		<b>(316 890)</b>	<b>(316 890)</b>	<b>(391 932)</b>	<b>(75 042)</b>
		<b>350</b>	<b>350</b>	<b>(51 714)</b>	<b>(52 064)</b>
<b>NET SURPLUS/(LOSS) FOR THE YEAR</b>					

# ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

## 1. Basis of preparation

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

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

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.

## 2. Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated.

## 3. Revenue recognition

### 3.1 Levy income

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of 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 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. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

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.

Revenue is adjusted for interSETA transfers due to employers changing SETA's. 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.

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

### 3.2 Interest and penalties

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

### 3.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the SETA as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of the SETA, as the SETA controls such assets for the duration of the project. Such assets may however only be disposed of in terms of agreement and specific written instructions by the NSF.

### 3.4 Government grants and other donor income

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

### 3.5 Investment income

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

## 4. Grants and project expenditure

A registered employer may recover a maximum of 50% of its total levy payment as a mandatory employer grant (excluding interest and penalties) 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).

#### Mandatory grants

Grants are equivalent to 50% of the total levies contributed by employers to the SETA during the corresponding financial period.

#### 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.

#### Discretionary project expenditure

A SETA may out of surplus monies 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 Council. 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.

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.

#### Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the 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 grant over payment, net of bad debts and provision for irrecoverable amounts.

## 5. 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

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which they are incurred.

## 6. Property, plant and equipment

Property, plant and equipment is stated 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 estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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, plant and equipment is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating profit.

## 7. Intangible assets

Intangible assets is stated 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 estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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 intangible asset is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating profit.

## 8. 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 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. 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 recognized as an expense in the period in which termination takes place.

## 9. Provisions

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

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 termination benefits.

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

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

## 10. Grants and projects

### Mandatory and discretionary grant payments

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulation have been complied with by member companies and it is probable that the SETA will approve the payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

### Discretionary projects

Where a project has been approved, but has not been accrued for, it is disclosed as commitments in the notes to the financial statements.



## 11. Financial instruments

### Recognition

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.

### Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets can be classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets of the SETA were categorised as loans and receivables

### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market 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, except for short-term receivables where the recognition of interest would be immaterial.

### 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 balance sheet date. 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 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.

### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Account and other payables do not bear interest and are stated at their nominal value.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

All financial liabilities of the SETA were classified as other financial liabilities.

**Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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.

## 12. Reserves

Net assets is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No 97 of 1998) as amended 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:

	<b>2009/10</b>	<b>2008/09</b>
	%	%
Administration expenditure of the SETA	10	10
Mandatory Workplace Skills Grant	<u>50</u>	<u>50</u>
Discretionary grants and projects	<u>20</u>	<u>20</u>
Received by the SETA	80	80
Contribution to the National Skills Fund	<u>20</u>	<u>20</u>
	<b><u>100</u></b>	<b><u>100</u></b>

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

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

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made in mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

### 13. Comparative figures

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

### 14. Taxation

No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act , 1962 (Act 58 of 1962).

### 15. Consumable Inventory

Consumables are recognised as an asset on the date of acquisition and it is measured at the cost of the acquisition. It is subsequently recognised in surplus or deficit as it is consumed.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

## 1. ALLOCATION OF NET SURPLUS/(DEFICIT) FOR THE YEAR TO RESERVES:

	<b>Total per Statement of Financial Performance 2008/09 R'000</b>	<b>Total per Statement of Financial Performance 2009/10 R'000</b>
<b>Total revenue</b>	373 980	352 262
Skills development levy: income from non-exchange transactions		
Admin levy income (10%)	40 984	40 022
Grant levy income (70%)	288 347	288 121
Skills development levy: penalties and interest from non-exchange transactions	937	1 016
Donations for special projects	23 884	12 044
Investment income	19 828	11 051
Other income	-	8
<b>Total expenditure</b>	(350 691)	(403 976)
Administration expenditure	(28 215)	(36 437)
Special projects expenditure	(23 884)	(12 044)
Employer grants and project expenditure	(298 592)	(355 495)
<b>Net surplus/(deficit) per Statement of Financial Performance allocated</b>	<b>23 289</b>	<b>(51 714)</b>

	Employer grants reserve	Discretionary reserve			
Administration reserve	Mandatory skills grant	Discretionary grants	Special projects	Projects	Total discretionary
R'000	R'000	R'000	R'000	R'000	R'000
40 030	205 127	82 994	12 044	12 067	107 105
40 022	-	-	-	-	-
-	205 127	82 994	-	-	82 994
-	-	-	-	1 016	1 016
-	-	-	12 044	-	12 044
-	-	-	-	11 051	11 051
8	-	-	-	-	-
(36 437)	(200 039)	1	(12 044)	(155 457)	(167 500)
(36 437)	-	-	-	-	-
-	-	-	(12 044)	-	(12 044)
-	(200 039)	1	-	(155 457)	(155 456)
3 593	5 088	82 995	-	(143 390)	(60 395)

## 2. SKILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS

	Note	2009/10 R'000	2008/09 R'000
The total levy income per the Statement of Financial Performance is as follows:			
Levy income: Administration		40 022	40 984
Levies received		<b>39 946</b>	39 829
Levies received from SARS		39 851	39 803
InterSETA transfers in		109	32
InterSETA transfers out		( 14)	( 6)
Levies accrued		<b>76</b>	1 155
Levy income: Employer Grants		<b>205 127</b>	205 879
Levies received		<b>205 323</b>	199 528
Levies received from SARS		204 849	199 399
InterSETA transfers in		543	161
InterSETA transfers out		( 69)	( 32)
Levies accrued		<b>( 196)</b>	6 351
Levy income: Discretionary Grants		<b>82 994</b>	82 468
Levies received		<b>83 186</b>	79 823
Levies received from SARS		82 996	79 772
InterSETA transfers in		218	64
InterSETA transfers out		( 28)	( 13)
Levies accrued		<b>( 192)</b>	2 645
		<b>328 143</b>	329 331

## 3. INVESTMENT INCOME

	2009/10 R'000	2008/09 R'000
Interest income		
Bank deposits	10 865	19 624
Receivable	186	204
	<b>11 051</b>	19 828

## 4. OTHER INCOME

	2009/10 R'000	2008/09 R'000
Other income comprises:		
Insurance claim received	<b>8</b>	-

## 5. EMPLOYER GRANT AND PROJECT EXPENDITURE

	Note	2009/10 R'000	2008/09 R'000
Mandatory grants		200 039	199 736
Disbursed		196 101	217 737
Provisions and accruals		3 938	(18 001)
Discretionary grants		(1)	(26)
Disbursed		(7)	(21)
Provisions and accruals		6	(5)
Project expenditure	5.1	155 457	98 882
Disbursed		154 200	94 023
Provisions and accruals		1 257	4 859
		<b>355 495</b>	<b>298 592</b>
<b>5.1 Project expenditure consist of:</b>			
Direct project costs		<b>155 457</b>	<b>98 882</b>

## 6. ADMINISTRATION EXPENDITURE

		2009/10 R'000	2008/09 R'000
Depreciation/Amortisation		438	322
Loss on sale of assets		7	29
Operating lease rentals (minimum lease payments)		1 452	1 407
Buildings		1 332	1 254
Plant, machinery and equipment		120	153
Maintenance, repairs and running costs - other		121	34
Advertising, marketing and promotions, communication		2 801	2 137
Entertainment expenditure		384	156
Consultancy and service provider fees		7 148	6 741
Legal fees		-	17
Cost of employment	6.1	16 045	11 075
Travel and subsistence		1 399	1 039
Staff training and development		764	677
Remuneration to members of the accounting authority		68	67
External auditor's remuneration - Audit fees		1 019	376
Bad debts written off		10	22
Allowance for doubtful debts		(6)	(1)
Other		4 787	4 116
Other administration expenditure		2 152	1 673
Consulting fees		859	635
Telephone costs		553	393
Workshops		417	483
Printing and stationery		127	357
Internal audit fees		657	577
Soccer World Cup expenditure		22	-
		<b>36 437</b>	<b>28 215</b>

## 6.1 Cost of employment

	Note	2009/10 R'000	2008/09 R'000
Salaries and wages		14 386	9 768
Basic salaries		9 407	7 606
Performance awards		4 983	1 804
Temporary staff		96	89
Leave payments		( 100)	269
Social contributions		1 659	1 307
Medical aid contributions		294	212
Pension contributions: defined contribution plans		1 189	973
Skills Development Levies		133	86
UIF		43	36
		<u>16 045</u>	<u>11 075</u>
Allocation of cost of employment			
Administration expenditure	6	<u>16 045</u>	<u>11 075</u>
Average number of employees		31	28

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the accounting authority, the Chief Executive Officer.

## 7. PROPERTY, PLANT AND EQUIPMENT

	Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
<b>Year ended 31 March 2010</b>			
Computer equipment	859	( 645)	214
Office furniture and fittings	985	( 540)	445
Office equipment	235	( 82)	153
Leasehold improvements	192	( 192)	-
Balance at end of period	<u>2 271</u>	<u>(1 459)</u>	<u>812</u>
Made up as follows:			
- Owned assets	2 271	(1 459)	812

	Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
<b>Year ended 31 March 2009</b>			
Computer equipment	916	( 559)	357
Office furniture and fittings	934	( 443)	491
Office equipment	219	( 78)	141
Leasehold improvements	192	( 92)	100
Balance at end of period	<u>2 261</u>	<u>(1 172)</u>	<u>1 089</u>
Made up as follows:			
- Owned assets	2 261	(1 172)	1 089



## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

<b>Movement summary 2010</b>	<b>Carrying amount 2009 R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Depreciation R'000</b>	<b>Carrying amount 2010 R'000</b>
Computer equipment	357	28	(8)	(163)	214
Office furniture and fittings	491	53	-	(99)	445
Office equipment	141	50	-	(38)	153
Leasehold improvements	100	-	-	(100)	-
Balance at end of period	1 089	131	(8)	(400)	812

<b>Movement summary 2009</b>	<b>Carrying amount 2008 R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Depreciation R'000</b>	<b>Carrying amount 2009 R'000</b>
Computer equipment	294	187	(1)	(123)	357
Office furniture and fittings	482	125	(28)	(88)	491
Office equipment	11	152	-	(22)	141
Leasehold improvements	50	114	-	(64)	100
Balance at end of period	837	578	(29)	(298)	1 089

## 7.1 Temporarily idle assets and assets not in use

<b>Year ended 31 March 2010</b>	<b>Cost R'000</b>	<b>Accumulated depreciation R'000</b>	<b>Closing carrying amount R'000</b>
Computer equipment	5	(4)	1
Office equipment	1	(1)	-
Balance at end of period	6	(5)	1

## Temporarily idle assets and assets not in use

<b>Year ended 31 March 2009</b>	<b>Cost R'000</b>	<b>Accumulated depreciation R'000</b>	<b>Closing carrying amount R'000</b>
Computer equipment	-	-	-
Office equipment	-	-	-
Balance at end of period	-	-	-

## 7.2 Property, Plant and Equipment fully depreciated but still in use

## Gross carrying value

	2009/10 R'000	2008/09 R'000
<b>Year ended 31 March 2010</b>		
Computer equipment	352	320
Office furniture and fittings	15	-
Office equipment	17	17
Leasehold improvements	193	-
Balance at end of period	<u>577</u>	<u>337</u>

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

- Computer equipment	3 years	33.33%
- Office furniture and fittings	10 years	10%
- Office equipment	5 years	20%
- Leasehold improvements	over the lease term	

## 8. INTANGIBLE ASSETS

## Year ended 31 March 2010

Application software

Made up as follows:

- Owned assets

Cost R'000	Accumulated amortisation R'000	Closing carrying amount R'000
157	( 111)	47

157 ( 111) 47

## Year ended 31 March 2009

Application software

Made up as follows:

- Owned assets

Cost R'000	Accumulated amortisation R'000	Closing carrying amount R'000
95	( 73)	22

95 ( 73) 22

## 8. INTANGIBLE ASSETS (Continued)

<b>Movement summary 2010</b>	<b>Carrying amount 2009 R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Amortisation R'000</b>	<b>Carrying amount 2010 R'000</b>
Application software	22	63	-	(38)	47

<b>Movement summary 2009</b>	<b>Carrying amount 2008 R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Amortisation R'000</b>	<b>Carrying amount 2009 R'000</b>
Application software	30	16	-	(24)	22

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.

## 8.1 Temporarily idle assets and assets not in use

## Year ended 31 March 2010

Application software

<b>Cost R'000</b>	<b>Accumulated depreciation R'000</b>	<b>Closing carrying amount R'000</b>
38	(38)	-

## Temporarily idle assets and assets not in use

## Year ended 31 March 2009

Application software

<b>Cost R'000</b>	<b>Accumulated depreciation R'000</b>	<b>Closing carrying amount R'000</b>
-	-	-

## 8.2 Intangible assets fully depreciated but still in use

## Gross carrying value

Application software

<b>2009/10 R'000</b>	<b>2008/09 R'000</b>
18	18

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

Application software

2 years	50%
---------	-----

## 9 ACCOUNTS RECEIVABLE FROM NON-EXCHANGE TRANSACTIONS

	Note	2009/10 R'000	2008/09 R'000
Skills development levy debtors			
Interseta debtors	23	404	106
Employer receivables	9.1	483	186
Allowance for impairment	9.1	-	(6)
		<u>887</u>	<u>286</u>

## 9.1 Employer receivable

	2009/10 R'000	2008/09 R'000
Employer receivable		
Overpayment to employers	483	186
Allowance for impairment	-	(6)
Net effect of SARS retrospective adjustments on affected employers	<u>483</u>	<u>180</u>

R483 000 (2008/09: R186 000) was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant over payments. An amount of R10 000 (2008/09: R8 000) was written off as doubtful debt.

## 10 OTHER ACCOUNTS RECEIVABLE

	2009/10 R'000	2008/09 R'000
Deposits	142	142
Prepaid expenses	-	145
Interest receivables	<u>186</u>	<u>204</u>
	<u>328</u>	<u>491</u>

## 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:

	2009/10 R'000	2008/09 R'000
Cash at bank and on hand	50 152	25 519
Cash at bank	50 147	25 514
Cash on hand	5	5
Short term investments/instruments	<u>75 640</u>	<u>125 016</u>
Cash and cash equivalents at end of year	<u>125 792</u>	<u>150 535</u>

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 7.36% (2008/09: 11.55%).

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant SETA.

## 11 CASH AND CASH EQUIVALENTS (Continued)

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 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2009/10 R'000	2008/09 R'000
Project creditors	10 811	9 554
Sundry payables	1 439	2 022
Trade payables	672	775
Other accrued expenditure	349	727
Leave Accrual	418	520
	<u>12 250</u>	<u>11 576</u>

## 13 TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	Note	2009/10 R'000	2008/09 R'000
Skills development grants payable - mandatory		17 075	16 012
SARS Payable	13.1	5 989	5 677
Intersetra payables	23	4	6
Employer payables		<u>3 345</u>	<u>113</u>
		<u>26 413</u>	<u>21 808</u>

### 13.1 SARS Payable

	Opening Balance R'000	Change In Estimate R'000	Addition R'000	Closing Balance R'000
<b>2009/10</b>				
Levies incorrectly received	916	47	265	1 228
Levies identified from variance report	4 761	-	-	4 761
	<u>5 677</u>	<u>47</u>	<u>265</u>	<u>5 989</u>
<b>2008/09</b>				
Levies incorrectly received	697	56	164	916
Levies identified from variance report	15 130	(10 369)	-	4 761
	<u>15 827</u>	<u>(10 313)</u>	<u>164</u>	<u>5 677</u>

An amount of R1 228 000 (2008/09: 916 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DOL, after being exempted from contributing skills development levies due to new legislation which came into effect 1 August 2005. An amount of R4 761 000 relates to skills development levies incorrectly received from registered employers.

## 14 DONOR FUNDING RECEIVED IN ADVANCE

	2009/10 R'000	2008/09 R'000
<b>14.1 Opening balance ABSA</b>	2 278	2 522
Received during the year - LETSEMA	-	22 133
Interest received	108	1 205
Utilised and recognised as revenue - conditions met:	( 991)	(23 582)
LETSEMA 5 Training & Development	-	(5 973)
LETSEMA 5 Project Cost	( 70)	(17 307)
LETSEMA 6 Project Cost	(922)	( 302)
<b>Closing balance</b>	<u>1 395</u>	<u>2 278</u>

During the year BANKSETA received an amount of R0 (2008/09: R22 133 000) from ABSA. The balance from last year was used to support the LETSEMA 6 project.

	2009/10 R'000	2008/09 R'000
<b>14.2 Opening balance Nedbank</b>	( 302)	-
Received during the year - Nedbank LETSEMA 6 project	1 192	-
Interest received	22	-
Utilised and recognised as revenue - conditions met:	( 849)	( 302)
LETSEMA 6 Project Cost	( 849)	( 302)
<b>Closing balance</b>	<u>63</u>	<u>( 302)</u>

Nedbank has committed to support the LETSEMA 6 project. Funding only received in April 2009.

	Note	2009/10 R'000	2008/09 R'000
<b>14.3 Opening balance InterSETA Summit</b>			
Received during the year - InterSETA Summit		2 587	-
Interest received		28	-
Utilised and recognised as revenue - conditions met:		(2 379)	-
InterSETA Summit		(2 379)	-
<b>Closing balance</b>	25	<u>236</u>	<u>-</u>

During the year BANKSETA received an amount of R2 587 000 (2008/09: R0) from other SETAs, to administer an InterSETA conference.

## 14 DONOR FUNDING RECEIVED IN ADVANCE (Continued)

	2009/10 R'000	2008/09 R'000
<b>14.4 Opening balance ABSA LETSEMA 7</b>		
Received during the year - ABSA LETSEMA 7 project	30 000	-
Interest received	33	-
Utilised and recognised as revenue - conditions met:	(7 825)	-
LETSEMA 7 Training & Development	(3 500)	-
LETSEMA 7 Project Cost	(4 325)	-
<b>Closing balance</b>	<u>22 208</u>	<u>-</u>

ABSA has committed to support the LETSEMA 7 project. Funding only received in March 2010.

	2009/10 R'000	2008/09 R'000
<b>TOTAL SPECIAL PROJECT INCOME RECOGNISED FOR THE YEAR PER THE STATEMENT OF FINANCIAL PERFORMANCE</b>	<u>12 044</u>	<u>23 884</u>

## 15 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET (DEFICIT)/SURPLUS

	2009/10 R'000	2008/09 R'000
Net (deficit)/surplus as per Statement of Financial Performance	(51 714)	23 289
Adjusted for non-cash items:		
Depreciation/Amortisation	438	322
Loss on disposal of property, plant and equipment	7	29
Bad debts written off	10	22
Allowance for doubtful debts	( 6)	( 1)
Special project income recognised	(33 668)	(23 640)
Adjusted for items separately disclosed		
Interest received	(11 051)	(19 828)
Adjusted for working capital changes:		
Decrease/(Increase) in other receivables	651	( 17)
(Increase)/ Decrease in receivables from non-exchange transactions	( 604)	5 463
Increase/(Decrease) in payables	26 903	(29 022)
Increase in Consumables	( 48)	( 15)
Cash utilised in operations	<u>(69 082)</u>	<u>(43 398)</u>

## 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. BANKSETA submitted an application to the Department for the retention of surplus funds. As in the previous year BANKSETA has received approval from National Treasury to retain surplus funds.

### 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.

As the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R202 000 (2008/09: R134 000) will be payable. The amount is contingent on the number of submission received and approved.

### 16.3 New scheme year levies received

At the reporting date levies were received in respect of the new scheme year, for which, the Skills Development legislation allows an employer until 30 June 2011 to submit an application for a mandatory grant.

At the reporting date it is estimated, as a result, that additional mandatory grant expenditure of R0 (2008/09: R76 000) will be payable. The amount is contingent on the number of submission received and approved.

## 17 COMMITMENTS

### 17.1 Discretionary reserve

Of the balance of R64 327 000 (2008/09: R115 782 000) available in the Discretionary reserve at the end of March 2010, R60 346 000 has been approved and contracted for future projects and skills priorities as set out below. Amounts for expenditure that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated.



Indicator	Projects	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2009/10 R'000	Approved by Accounting Authority R'000	Utilised R'000	Approved by Accounting Authority R'000	Total R'000	Funds committed to Signed contracts R'000
1	Project 97: Women's Development Programme	70	(40)	(30)	-	-	-	-	-	-
2.8	Project 142: Master bursary scheme (employed people)	655	(649)	(6)	-	-	-	-	-	-
4.1	Project 149: LETSEMA 3	3	(3)	-	-	-	-	-	-	-
2.8	Project 165: Women's Development Programme 2006	6 896	-	(4 910)	1986	(1 031)	(956)	-	-	-
2.8	Project 166: SME Training Voucher Project 2006	297	(293)	(4)	-	-	-	-	-	-
2.8	Project 178: IEDP: Canada	6	(6)	-	-	-	-	-	-	-
2.8	Project 182: BANKSETA: Master & Executive Courses 2007	88	-	(88)	-	-	-	-	-	-
2.7	Project 184: ABET Support 2006	88	-	-	88	(88)	-	-	-	-
2.4	Project 185: BANKSETA: IIP Implementation & Support	558	500	(626)	432	465	(881)	16	-	-
4.1	Project 186: LETSEMA 4	1 745	(1 694)	(51)	-	-	-	-	-	-
5.1	Project 194: Centres Of Excellence 2006/7	385	-	(250)	135	14.8	(150)	-	-	-
4.1	Project 199: BANKSETA: 2007 Kuyasa	301	(301)	-	-	-	-	-	-	-
2.8	Project 205: BANKSETA: IEDP Canada 2007	31	(31)	-	-	-	-	-	-	-
2.8	Project 207: BANKSETA: Jnr & Middle Management Dev Programme	15 708	5 963	(9 467)	12 204	(181)	(12 024)	-	-	-
2.5	Project 208: BANKSETA: Building A Better Business (NW & WC)	535	-	(269)	266	(127)	(139)	-	-	-

Indicator	Projects	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2009/10 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Funds committed to Signed contracts R'000
4.1	Project 209: BANKSETA: LETSEMA 5	20 445	-	(18 803)	1 642	(1 708)	66	-	-
4.1	Project 210: BANKSETA: KUYASA 2008	9 091	-	(8 459)	632	(632)	-	-	-
2.8	Project 211: BANKSETA: IEDP UK 2008	4 510	(450)	(3 908)	152	(152)	-	-	-
2.8	Project 212: BANKSETA: SME Training Voucher Project 2007	2 557	-	(85)	2 472	(2 472)	46	46	-
4.1	Project 213: BANKSETA: Bridging Programme - Disabled Learners	6	(6)	-	-	-	-	-	-
5.1	Project 214: BANKSETA: Centre of Excellence 2008	5 499	-	(1 693)	3 806	455	(2 606)	1 655	1 410
2.8	Project 215: BANKSETA: Masters & Executive Courses 2008	1 820	-	(1 272)	548	(231)	(317)	-	-
5.3	Project 216: BANKSETA: ETQA: External Moderation	317	500	(347)	470	(436)	(34)	-	-
2.7	Project 217: BANKSETA: ABET Support 2007	349	(95)	(254)	-	-	-	-	-
2.8	Project 219: BANKSETA: Medium Company Voucher Project 2007	602	-	(8)	594	(594)	-	-	-
1.1	Project 221: BANKSETA: Research: Future Skills in Banking	699	(673)	(26)	-	-	-	-	-
2.8	Project 222: BANKSETA: SME Lifelong Learning Workshops	891	(129)	(762)	-	-	-	-	-
4.3	Project 224: BANKSETA: New Venture Creation Skills Programme	641	-	(480)	161	(161)	-	-	-
5.2	Project 225: BANKSETA: PPP New Venture Creation	200	-	(200)	-	-	-	-	-
3.2	Project 226: BANKSETA: Co-Operative Bank Staff Development	616	(229)	(387)	-	-	-	-	-

Indicator	Projects	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2009/10 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Funds committed to Signed contracts R'000
3.2	Project 227: BANKSETA: Co-operative Banks Shareholder Cons Education	179	(26)	(153)	-	-	-	-	-
1.2	Project 229: BANKSETA: International Conference 2008 - Planning	1 544	126	(1 670)	-	-	-	-	-
4.2	Project 232: BANKSETA: CIDA Bursaries unemployed	28	-	(28)	-	-	-	-	-
4.2	Project 235: FASSET Partnership: Thusanani Programme	2 859	-	(2 841)	18	-	(18)	-	-
4.3	Project 237: BEE NVC Project	342	-	(336)	6	(6)	-	-	-
2.8	Project 238: Introductory Course in Islamic Banking	994	-	-	994	(340)	(455)	199	199
4.3	Project 239: NVC - Cipro registration	60	(2)	(58)	-	-	-	-	-
2.1	Project 241: Financial education - translations and reproducing	215	-	-	215	(100)	-	115	-
2.8	Project 242: BANKSETA IEDP Canada Prep 2008	4 321	(450)	(3 707)	164	(162)	37	39	-
1.1	Project 243: Needs Analysis - Management Development	400	38	(438)	-	-	-	-	-
1.1	Project 244: MFI Needs Analysis Project	310	(59)	(251)	-	-	-	-	-
2.5	Project 245: SME Building a Better Business	-	900	(863)	37	1 000	(892)	145	-
2.8	Project 246: QCTO Pilot Project	-	7 450	(211)	7 239	2 500	(2 163)	7 576	2 390
4.1	Project 247: Learner Tracking	-	300	(99)	201	(3)	(198)	-	-
4.2	Project 248: FASSET Partnership: Thusanani	-	4 400	(3 709)	691	(500)	(184)	7	-

Indicator	Projects	Opening balance 2008/09	Approved by Accounting Authority	Utilised	Opening balance 2009/10	Approved by Accounting Authority	Utilised	Total	Funds committed to Signed contracts
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2.2	Project 249: Innovative Solutions for SME	-	-	-	-	1 100	(909)	191	-
2.2	Project 251: SME Training Voucher Project 2008/09	-	3 000	(1 778)	1 222	2 500	(3 263)	459	-
1.2	Project 252: BANKSETA: Career Awareness 2008/09	-	1 000	(989)	11	1 500	(1 267)	244	-
1.1	Project 253: BANKSETA: Scarce Skills Research	-	1 300	(223)	1 077	-	(354)	723	-
2.8	Project 254: BANKSETA: Masters & Exec Short Courses	-	6 000	(443)	5 557	(300)	(4 270)	987	527
2.8	Project 255: BANKSETA: LLL Large & Medium 2008/09	-	358	(358)	-	-	-	-	-
2.8	Project 256: 18.1 Niche Learnerships - scarce skills	-	4 000	(1 170)	2 830	(2 680)	(150)	-	-
2.8	Project 257: 18.2 Niche Learnerships - scarce skills	-	3 700	(915)	2 785	(2 155)	(630)	-	-
2.7	Project 258: ABET Support 2008/09	-	550	(231)	319	600	(653)	266	-
4.2	Project 259: CIDA Bursaries (unemployed)	-	1 500	(1 473)	27	-	(21)	6	-
4.3	Project 260: NVC Programme 2008/09	-	700	(436)	264	(264)	-	-	-
5.2	Project 261: PPP New Venture Creation Provider 2008/09	-	200	(114)	86	(86)	-	-	-
4.1	Project 262: Kuyasa 2008/09	-	11 272	(2 807)	8 465	632	(7 605)	1 492	1 492
	Project 263: CEO Discretionary pool of funds	-	713	-	713	(713)	-	-	-
4.1	Project 264: Bridging Programme for Disabled Learners	-	1 000	(746)	254	(254)	-	-	-

Indicator	Projects	Opening balance 2008/09	Approved by Accounting Authority	Utilised	Opening balance 2009/10	Approved by Accounting Authority	Utilised	Utilised	Approved by Accounting Authority	Total	Funds committed to Signed contracts
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4.1	Project 265: 18.2 Internships (employed)	-	300	-	300	(300)	-	-	-	-	-
2.8	Project 266: International Learning Dev Conference	-	500	(26)	474	466	(940)	-	-	-	-
4.1	Project 267: Letsema 6	-	46 383	(12 493)	33 890	1 294	(34 422)	762	-	-	-
4.1	Project 269: Study to accommodate deaf in the workplace	-	300	(229)	71	-	-	71	-	-	-
5.1	Project 270: BANKSETA: Skills Resource Centre 2008/09	-	5 815	-	5 815	(565)	(5 055)	195	-	-	-
2.2	Project 271: SME Lifelong Learning Workshops 2008/09	-	1 200	(576)	624	1 200	(475)	1 349	-	-	-
5.1	Project 272: BANKSETA: loB Center of Excellence	-	1 500	(300)	1 200	-	(1 200)	-	-	-	-
2.8	Project 273: Doctoral & Post Doctoral Funding	-	1 930	(75)	1 855	600	(983)	1 472	-	-	849
2.8	Project 274: EDP Planning 2009	-	3 000	(2 764)	236	(145)	(91)	-	-	-	-
2.8	Project 275: Project Evaluation & Impact Studies	-	2 000	(674)	1 326	100	(1 427)	-	-	-	-
2.8	Project 276: Scarce Skills Analysis & Solutions	-	4 000	-	4 000	(4 000)	-	-	-	-	-
2.8	Project 277: Scarce Skills Funding	-	4 000	(2 542)	1 458	-	-	1 458	-	-	-
2.8	Project 278: ICT Banking Support Technician Benchmark	-	2 000	(276)	1 724	250	(2 205)	(231)	-	-	-
2.2	Project 279: SME Skills Dev Toolkit	-	1 500	-	1 500	-	(1 001)	499	-	-	-
5.1	Project 280: Centre of Excellence: Leadership Council	-	400	(40)	360	(360)	-	-	-	-	-

Indicator	Projects	Opening balance 2008/09	Approved by Accounting Authority	Utilised	Opening balance 2009/10	Approved by Accounting Authority	Utilised	Approved by Accounting Authority	Utilised	Total	Funds committed to Signed contracts
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2.8	Project 281: FAIS Preparation	-	400	-89	311	-	(271)	-	40	-	-
2.8	Project 282: FAIS	-	150	-	150	(43)	(107)	-	-	-	-
2.4	Project 283: Good Practice Awards 2009	-	400	-	400	(370)	(30)	-	-	-	-
2.8	Project 284: Interbank Training Material Update	-	700	-	700	-	(131)	-	569	-	-
2.8	Project 285: HIV/AIDS Training Support	-	1 000	-	1 000	400	(1 011)	-	389	-	-
2.5	Project 286: Co-Op banks IoB/SBSA 2008/09	-	500	(366)	134	(134)	-	-	-	-	-
2.8	Project 287: IEDP Europe 2009	-	-	-	-	3 992	(3 992)	-	-	-	-
2.8	Project 288: Provincial Strategy Implementation	-	-	-	-	370	(266)	-	104	-	-
5.2	Project 289: PPP New Venture Creation Provider	-	-	-	-	500	(465)	-	36	-	-
2.8	Project 290: FAIS Support & Implementation	-	-	-	-	8 100	(5 946)	-	2 154	-	2 154
2.5	Project 291: Co-operative Bank Staff development	-	-	-	-	850	(760)	-	90	-	-
4.3	Project 292: NVC Programme	-	-	-	-	900	(864)	-	36	-	36
2.8	Project 293: Discretionary Grant Funding Window 2009	-	-	-	-	19 501	(13 096)	-	6 405	-	7 507
2.8	Project 294: Reasonable Accommodation Strategies	-	-	-	-	500	(14)	-	486	-	-
4.1	Project 296: LETSEMA learnership (*)	-	-	-	-	27 876	(7 583)	-	20 293	-	20 295
4.1	Project 297: 18.2 Niche Learnerships	-	-	-	-	13 185	(8 850)	-	4 335	-	3 610

Indicator	Projects	Opening balance 2008/09 R'000	Approved by Accounting Authority R'000	Utilised R'000	Opening balance 2009/10 R'000	Approved by Accounting Authority R'000	Utilised R'000	Total R'000	Funds committed to Signed contracts R'000
2.8	Project 298: 18.1 Niche Learnerships	-	-	-	-	11 350	(8 580)	2 770	2 580
4.1	Project 300: KUYASA 2009/10 (*)	-	-	-	-	14 800	(3 782)	11 018	9 426
4.1	Project 301: Bridging programme for learners with disability (*)	-	-	-	-	5 500	(314)	5 186	2 248
4.1	Project 302: Scarce skills analysis & solutions (*)	-	-	-	-	8 400	(2 443)	5 957	-
2.8	Project 303: National Payment System	-	-	-	-	800	(86)	714	513
2.8	Project 304: IEDP UK 2009	-	-	-	-	3 555	(3 555)	-	-
2.8	Project 306: Microfinance Benchmarking	-	-	-	-	800	(119)	681	-
5.1	Project 308: Centre of Excellence:University of Fort Hare	-	-	-	-	2 725	(2 476)	249	-
2.8	Project 310: BANKSETA Management Development Programme (*)	-	-	-	-	6 900	(394)	6 506	5 110
2.8	Project 311: IEDP Planning 2010	-	-	-	-	1 784	(1 784)	-	-
2.8	Project 314: ASTD Technknowledge Conference 2010	-	-	-	-	500	(494)	6	-
	Project 315: InterSETA Summit 2009	-	-	-	-	200	(200)	-	-
2.8	Project 316: IEDP Europe	-	-	-	-	4 000	(27)	3 973	-
2.8	Project 331: IEDP UK	-	-	-	-	4 000	(27)	3 973	-
<b>Total project expenditure</b>		86 861	128 318	(98 882)	116 297	134 871	(155 457)	95 711	60 346

(\*) Funds allocated to project with end date 31 March 2011

**17.2 Operating Leases**

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

	<b>2009/10</b>	<b>2008/09</b>
	<b>R'000</b>	<b>R'000</b>
Not later than one year	1 277	1 394
Later than one year and not later than five years	<u>4</u>	<u>18</u>
	<u><u>1 282</u></u>	<u><u>1 412</u></u>

Part of the operating lease above relates to building premises used for office accommodation. The lease agreement was entered into effective 1 August 2003 with a termination date of 31 March 2005. The lease was extended for five years until 31/03/2010 and it was extended for another year until 31 March 2011. The rental and operational costs escalate annually on 1 April with 11%. Included in the operating lease note is the lease of the photocopy machine. The lease agreement was entered into effective 19 April 2005 and does not escalate.

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

BANKSETA has instituted a special investigation of discretionary grant payments made during 2009/10 to a specific service provider. On conclusion of this investigation it will be necessary to make a determination of a potential fruitless and wasteful expenditure.

**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.

**Interest rate risk**

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



## 19 FINANCIAL INSTRUMENTS (Continued)

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

	Floating rate		Non-interest bearing	TOTAL R'000
	Amount R'000	Effective interest rate	Amount R'000	
<b>Year ended 31 March 2010</b>				
<b>ASSETS</b>				
Cash	125 792	7.36%	-	125 792
Accounts receivable from non-exchange transactions			887	887
Other accounts receivable			328	328
<b>Total financial assets</b>	<b>125 792</b>	<b>7.36%</b>	<b>1 215</b>	<b>127 007</b>
<b>LIABILITIES</b>				
Trade and other Payables			(12 250)	(12 250)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(12 250)</b>	<b>(12 250)</b>
<b>Year ended 31 March 2009</b>				
<b>Total financial assets</b>	<b>150 535</b>	<b>11.55%</b>	<b>777</b>	<b>151 312</b>
<b>Total financial liabilities</b>	<b>-</b>		<b>(11 576)</b>	<b>(11 576)</b>
	<b>150 535</b>	<b>11.55%</b>	<b>(10 799)</b>	<b>139 737</b>

Financial instruments have not been discounted as they will all be settled or recovered within 3 months. Effect of discounting was considered and found not to be material.

### Credit risk

Financial assets, which potentially subject the SETA to the risk of non performance by counter parties consist mainly of cash and cash equivalents and accounts receivable.

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

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

## 19 FINANCIAL INSTRUMENTS (Continued)

**The ageing of other receivables**

	2009/10		2008/09	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	-	-	145	-
Past due 0 - 30 days	186	-	204	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-

**The ageing of cash and cash equivalents:**

	2009/10		2008/09	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	125 792	-	150 535	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-

**Liquidity risk**

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

**2009/10**

	Carrying Amount R'000	Contractual Cash Flows R'000	6 months or less R'000	6 - 12 months R'000	1 - 2 years R'000	More than 2 years R'000
Trade and other payables	(12 250)	(12 250)	(12 250)	-	-	-

**2008/09**

	Carrying Amount R'000	Contractual Cash Flows R'000	6 months or less R'000	6 - 12 months R'000	1 - 2 years R'000	More than 2 years R'000
Trade and other payables	(11 576)	(11 576)	(11 576)	-	-	-

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

**Market risk**

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

**Fair values**

The SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

**Cash and cash equivalents**

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.

## 19 FINANCIAL INSTRUMENTS (Continued)

### Accounts receivable

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.

### Accounts payable

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

## 20 NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective. These include the following Standards and Interpretations that are applicable to the SETA and may have an impact on future financial statements:

		<b>Effective date, commencing on or after</b>
GRAP 21	Impairment of Non-cash-generating Assets	not yet effective
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)	not yet effective
GRAP 24	Presentation of Budget Information in Financial Statements	not yet effective
GRAP 25	Employee Benefits	not yet effective
GRAP 26	Impairment of Cash-generating Assets	not yet effective
GRAP 104	Financial Instruments	not yet effective

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

GRAP 21, 23, 24 and 26 have been used to formulate accounting policies or inform presentation and disclosure.

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

## 21 IMPLEMENTATION OF GRAP STANDARDS

During the year the BANKSETA changed its policy for the measurement of assets acquired through a non-exchange transaction, i.e. for no consideration. Previously such assets were measured at zero cost. Currently the asset's cost is its fair value as at the date of the acquisition. The change was made as to comply with GRAP 17.22 and has been applied retrospectively.

The comparative amounts have been appropriately restated. The effect of this change in accounting policy is as follows:

	<b>2008/09 R'000</b>
Increase in opening cost price of PPE	42
Increase in opening accumulated depreciation PPE	(34)
Decrease in opening accumulated surplus	<u>8</u>
Increase in depreciation	4
Decrease in surplus	4

## 22 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.

The SETA has reviewed the residual values used for the purposes of depreciation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

## 23 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. The departments were controlled, respectively by the Minister of Labour and Minister of Higher Education and Training.

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

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

## 23 RELATED PARTY TRANSACTIONS (Continued)

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

		2009/10 R'000		2008/09 R'000	
	Note	Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable
<b>Receivables</b>	9	<b>883</b>	<b>404</b>	256	106
FASSET		64	-	78	36
SERVICES		726	360	178	70
SETT		44	44	-	-
CETA		49	-	-	-
<b>Payables</b>	12	<b>112</b>	<b>4</b>	51	6
FASSET		39	1	30	1
INSETA		18	3	-	-
AGRISETA		55	-	-	-
W&R SETA		-	-	17	1
FOODBEV		-	-	4	4
<b>Total</b>		<b>771</b>	<b>400</b>	205	100

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

**Remuneration of key management**

The key management personnel (as defined by IPSAS 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:

	2009/10 R'000	2008/09 R'000
Aggregate remuneration	59	59
Number of persons	13	12

## 23 RELATED PARTY TRANSACTIONS (Continued)

The senior management group consists of the SETA's chief executive officer. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

	2009/10 R'000	2008/9 R'000
Aggregate remuneration	1 876	1 329
Number of persons	1	1

Refer to the report by the Accounting Authority for detail disclosure concerning the emoluments of members of the accounting authority and the Chief Executive Officer.

## 24 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	2009/10 R'000		2008/09 R'000		
			Amount of the transaction	Amount receivable/ payable	Amount of the transaction	Amount receivable/ payable	
<b>Receivables</b>							
ABSA Letsema	R Ramabulana (Authority member)	LETSEMA Project	8 816	-	23 582	-	
Nedbank Letsema	S Zinn (Authority member)	LETSEMA Project	849	-	302	302	
<b>Payables</b>							
African Bank	N Naicker (Authority member)	Discretionary Grant	2 112	-	-	-	
SARB	J Jefftha (Authority member)	Discretionary Grant	783	-	-	-	
ABSA Letsema	R Ramabulana (Authority member)	Letsema Project	8 816	-	1 300	-	
First Rand Bank	F Hugo/G Fipaza (Authority members)	Discretionary Grant	9 392	-	1 221	(1 225)	
Micro Finance South Africa	H Ferreira (Authority member)	Discretionary Grant	224	-	-	-	
ABSA	R Ramabulana (Authority member)	Discretionary Grant	3 752	-	-	-	
Nedbank	S Zinn (Authority member)	Discretionary Grant	6 113	-	996	-	
Standard Bank	S Ngidi (Authority member)	Discretionary Grant	5 908	-	442	-	

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

## 25 INTERSETA SUMMIT

InterSETA and related party transactions and balances arose due to the interSETA summit held during the year and administered by BANKSETA on behalf 20 SETAs. The InterSETA summit was held to discuss the new SETA landscape beyond 31 March 2010.

	Received during the year R'000	Percentage Contribution	Payable R'000
BANKSETA	200	8.53%	20
FoodBev SETA	40	1.71%	4
Deloitte	200	8.53%	20
FIETA	100	4.27%	10
MQA	200	8.53%	20
W & R SETA	200	8.53%	20
ESeta	50	2.13%	5
ETDP SETA	100	4.27%	10
MerSETA	200	8.53%	20
CHIETA	140	5.97%	14
H&W SETA	40	1.71%	4
TETA	124	5.29%	12
CTFL SETA	144	6.14%	14
CETA	40	1.71%	4
FASSET	40	1.71%	4
AGRISETA	22	0.94%	2
THETA	100	4.27%	10
LGSETA	24	1.02%	2
SASSETA	100	4.27%	10
MAPP SETA	40	1.71%	4
Services SETA	240	10.24%	24
Public delegates	243		
	<b>2 587</b>	<b>100.00%</b>	<b>236</b>

## 26 NOTES TO COMPARISON OF BUDGET AND ACTUAL

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

### 26.1 Skills Development Levy: Income from non-exchange transactions:

The levy receipt for the current year was 7% more than the budget for the year. The budget information was calculated using a conservative approach due to the world wide economic crises.

### 26.2 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. The full balance is made available for projects.

### 26.3 Investment Income

Investment income was slightly more than what was budgeted for.

**26.4 Employer grant and project expenditure**

The approved final budget only includes the estimated mandatory grant spending of the current financial year. The over expenditure related to increased project expenditure, utilising prior year reserves. This over expenditure is acceptable practice within the SETA environment given the multi year nature of many projects.

**26.5 Administration expenditure**

Administration expenditure is limited to 10% of levies received. The legislation limit has not been exceeded and the savings will be utilised to fund sector skills priorities, through various projects.



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# Annexures

## Annexure A

COUNCIL MEMBERS' ATTENDANCE (1 April 2009 – 31 March 2010)								
Council Member	Constituency	Number of meetings attended	20 May 2009	21 July 2009	16 Sept 2009	25 Nov 2009	27 Jan 2010	17 Mar 2010
Sipho Ngidi	SBSA	6	√ Chairperson	√	√	√	√ Member	√
Eugene Ebersohn	SASBO	5	√ Deputy Chairperson	√	√	√ Became Chairperson	Apologies	√
Isaac Ramputa	SASBO	6	√	√	√	√	√	√
Hennie Ferreira	MFSA	4	√	Apologies	√	√	Apologies	√
Joe Kokela	SASBO	2	Apologies	Apologies	Apologies	Apologies	√	√
Ronald Ramabulana	ABSA	5	√	√	√	Apologies Became Deputy Chairperson	√	√
Jenny Jeftha	SARB	4	√	Apologies	Apologies	√	√	√
Eugene Zeeman	IBSA	4	√	Apologies	√	Apologies	√	√
Shirley Zinn	Nedbank	3	√	Apologies	Apologies	Apologies	√	√
Francois Hugo	FirstRand	1	√	Resigned				
Sifiso Mthembu	FirstRand	2	Not yet appointed		√ Joined	√	Resigned	
Gcobani Fipaza	FirstRand	1	Not yet appointed				√ Joined	Apologies
Vanessa Hattingh	SASBO	4	√	√	Apologies	√	√	Apologies
Ben Venter	SASBO	5	√	√	√	√	√	Apologies
Nitasha Naicker	African Bank	2	Not yet appointed			√ Joined	√	Apologies

COMMITTEE MEMBERS' ATTENDANCE (1 April 2009 – 31 March 2010)						
Committee Member	Constituency	Number of meetings attended	13 May 2009	15 July 2009	4 Nov 2009	3 Mar 2010
Audit Committee						
Hennie Ferreira	MFSA	2	√ Chairperson	Apologies	√	Resigned
Nitasha Naicker	African Bank	2	Not yet appointed		√	√ Chairperson
Leela Ramdhani	Nedbank	2	√	√ Acting Chairperson	Resigned	
Marle v d Walt	ABSA	3	√	√	Apologies	√

COMMITTEE MEMBERS' ATTENDANCE (1 April 2009 – 31 March 2010)								
Committee Member	Constituency	Number of meetings attended	13 May 2009	15 July 2009	2 Sept 2009	4 Nov 2009	20 Jan 2010	3 Mar 2010
Finance Committee								
Eugene Ebersohn	SASBO	1	√ Chairperson	Resigned				
Vanessa Hattingh	SASBO	5		√ Chairperson	√	√	√	√
Buks Lottering	SARB	2	√	Apologies	Apologies	√	Resigned	
Paul Mogotsi	Nedbank	5	√	√	√	Apologies	√	√
Samantha Anthony	SASBO	4	Apologies	√	√	√	√	Apologies

COMMITTEE MEMBERS' ATTENDANCE (1 April 2009 – 31 March 2010)					
Committee Member	Constituency	Number of meetings attended	04 Nov 2009	03 Mar 2010	12 Mar 2010
Remuneration Committee					
Ben Venter	SASBO	3	√	√	√
Eugene Zeeman	IBSA	3	√	√	√
Ronald Ramabulana	ABSA	0	Apologies	Apologies	Apologies
Gcobani Fipaza	FirstRand	1	Not yet appointed	Apologies	√
Sifiso Mthembu	FirstRand	1	√	Resigned	

## Annexure B: Human Resources in 2009/10

Staff Profile and Employment Equity as at 31 March 2010

Staff member	Position	Female				Male				Appointments	Exits
		A	C	I	W	A	C	I	W		
Max Makhubalo	CEO					√				01 Apr 2007	
Precious Sikhosana	PA to CEO	√								01 Oct 2008	
Christine Fritz	Corporate Services Manager				√					01 Aug 2001	
Caroline King	Provincial Liaison Specialist				√					02 Feb 2004	
Mary Baloyi	Corporate Services Specialist Finance	√								05 May 2008	
Dineo Mabena	Corporate Services Administrator	√								01 Oct 2005	09 Oct 2009
Rosemary Magamba	Corporate Services Administrator	√								15 Mar 2010	
Paulina Shai	Receptionist	√								01 Mar 2010	
Karen Hobbs	ETQA Manager				√					01 Sep 2008	
Jollette Le Roux	ETQA Specialist				√					15 Dec 2008	
Charmaine Janisch	ETQA Specialist				√					05 Jan 2009	
Kgomotso Khoale	ETQA Administrator	√								17 Aug 2009	
Paulette Bourne	Learning Programmes Manager		√							01 Jan 2006	
Deerani Naidoo	Learning Programmes Specialist			√						09 Feb 2007	
Nobuzwe Mangcu	Learning Programmes Specialist	√								01 Mar 2009	
Eva Tabane Ratema	Learning Programmes Administrator	√								22 Feb 2005	05 Feb 2010
Nyeko Mayimela	Learning Programmes Administrator	√								01 Mar 2010	
Trevor Rammitlwa	Skills Development Manager					√				01 Aug 2000	
Siphelo Ngcwangu	Head of Research					√				05 May 2008	

Staff member	Position	Female				Male				Appointments	Exits
		A	C	I	W	A	C	I	W		
Ayanda Maki	Skills Development Specialist	√								03 Dec 2007	
Sharissa Naicker	Skills Development Specialist			√						22 Jan 2007	
Sharon Mokgwatheng	SME Specialist	√								01 Feb 2007	
Mabellyne Lenyai	Skills Development Administrator	√								01 May 2009	
Lynette Mentor	Development Programmes Manager		√							02 Dec 2005	
Auma Nnane	Development Programme Specialist	√								15 Aug 2005	
Madeleine Pelzer	Development Programme Specialist				√					2 Feb 2009	
Miriam Chauke	Development Programme Administrator	√								01 Aug 2004	
Dimakatso Seete	Human Resources Manager	√								01 Oct 2008	
Silindile Bulunga	Human Resources Administrator	√								15 Jun 2009	
Thelma Baloyi	Housekeeper	√								01 Apr 2009	
Portia Kekana	Housekeeper	√								01 Apr 2009	
Kaamini Reddy	Marketing & Communications Manager			√						01 Nov 2006	
Busisiwe Lubisi	Marketing & Communications Specialist	√								07 Feb 2005	26 Feb 2010
Thamsanqa Malinga	Marketing & Communications Specialist					√				01 Sep 2008	28 May 2009
Isabel de Necker	Marketing & Communications Specialist				√					01 Sep 2009	

## Annexure C: Registered and De-registered Learnerships

REGISTERED LEARNERSHIPS AS AT 10 JUNE 2009			
	Registration number	NQF level	Title
1	02 Q 020021 24 126 3	3	Asset Based Finance Administration Learnership Level 3
2	02 Q 020008 29 120 4	4	Asset Based Finance Learnership Level 4
3	02 Q 020026 17 156 5	5	Asset Protection in Banking Learnership Level 5
4	02 Q 020042 00 360 6	6	Bachelor in Management Leadership Learnership Level 6
5	02 Q 020025 18 154 5	5	Banking Management Learnership Level 5
6	02 Q 020018 00 120 5	5	Business Analysis Learnership Level 5
7	02 Q 020014 00 120 5	5	Certificate in Management Leadership Learnership Level 5
8	02 Q 020017 15 135 4	4	Central Banking Security Learnership Level 4
9	02 Q 020037 18 158 5	5	Certificate in Banking: Risk Management Learnership Level 5
10	02 Q 020038 00 120 5	5	Change Management Learnership Level 5
11	02 Q 020027 29 168 5	5	Corporate Asset Based Finance Learnership Level 5
12	02 Q 020010 00 240 5	5	Credit Learnership Level 5
13	02 Q 020029 20 131 5	5	Customer Service Representative Learnership Level 5
14	02 Q 020040 00 240 5	5	Diploma in Business Analysis Learnership Level 5
15	02 Q 020031 00 240 5	5	Diploma in Management and Leadership Learnership Level 5
16	02 Q 020041 00 240 5	5	Diploma in Operations and Productivity Management Learnership
17	02 Q 020033 00 120 5	5	Fleet Management Learnership Level 5
18	02 Q 020019 00 120 5	5	HR Benefits in Banking Consulting Learnership Level 5
19	02 Q 020032 00 240 5	5	Human Resource in Banking Learnership Level 5
20	02 Q 020004 00 180 5	5	Information Technology in Business Level 5
21	02 Q 020011 00 120 6	6	Internal Audit Technician Learnership Level 6
22	02 Q 020022 23 120 4	4	Introduction to Microfinance Supervision and Management Learnership Level 4
23	02 Q 020035 39 128 5	5	Investment Administration Learnership Level 5
24	02 Q 020023 00 120 5	5	Legal Recoveries Services Level 5
25	02 Q 020016 00 120 6	6	Management Development Learnership Level 6
26	02 Q 020012 30 120 3	3	Micro Lending Front Line Service Learnership Level 3
27	02 Q 020015 00 120 5	5	National Certificate in Banking Services Advice Level 5
28	02 Q 020043 27 123 4	4	National Certificate: Service Excellence at Personal and Business Banking Level 4

REGISTERED LEARNERSHIPS AS AT 10 JUNE 2009			
	Registration number	NQF level	Title
29	02 Q 020034 00 120 5	5	Operations and Productivity Management Learnership Level 5
30	02 Q 020039 00 120 5	5	Project Management Learnership Level 5
31	02 Q 020028 23 139 5	5	Relationship Manager Learnership Level 5
32	02 Q 020013 24 155 4	4	Retail Foreign Exchange Banking Learnership Level 4
33	02 Q 020024 00 120 5	5	Risk Management Learnership Level 5
34	02 Q 020036 18 201 5	5	Sales and Relationship Management Level 5
35	02 Q 020030 00 120 5	5	Small Business Services Learnership Level 5
36	02 Q 020007 00 120 5	4	Treasury Learnership Programme Level 5
37	02 Q 020052 23 140 4	4	National Certificate: Banking: Credit Analysis, Level 4
38	02 Q 020055 24 140 4	4	National Certificate: Banking: Credit and Risk Analysis, Level 4
39	02 Q 020048 41 120 3	3	National Certificate: Banking: Financial Services: Insurance (FAIS Fit and Proper) Level 3
40	02 Q 020051 27 120 5	5	National Certificate: Banking: Treasury and Global Markets, Level 5
41	02 Q 020044 00 120 5	5	Certificate: Bank Credit Level 5
42	02 Q 020054 25 120 3	3	National Certificate : Microfinance Level 3
43	02 Q 020046 08 121 6	6	National Certificate: Financial Markets and Instruments Level 6
44	02 Q 020050 00 120 5	5	Certificate Management Development Learnership Level 5
45	02 Q 020053 32 120 4	4	Essential Skills for Banking Level 4
46	02 Q 020047 00 120 5	5	Certificate in Financial Planning Level 5
47	02 Q 02004 500 240 5	5	Diploma: Advanced Business Management Level 5

DE - REGISTERED LEARNERSHIPS			
	Registration number	NQF level	Title
1	02 Q 020020 18 147 4	4	Asset Protection in Banking Level 4
2	02 Q 020005 14 181 4	4	Retail Banking - Credit Level 4
3	02 Q 020002 48 120 3	3	Entry Level Banking Learnership Level 3
4	02 Q 020009 00 120 5	5	Financial Services Co-operatives Banking Learnership Level 5

## Annexure D: BANKSETA NSDS 2009/10 achievements

Success Indicator No.	Reporting information required	SETA SLA target for 2009/10	Achievements for the year (Cumulatively)	Achievements %	Explanation for variance
1.2	Number of SDF or Sector Specialists who carry out skills development facilitation in the sector trained in the use of the guide for the year	200	271	135.50	The partnership with KZN DoE allowed BANKSETA to reach more delegates than anticipated
2.1	Number of large firms that received WSP/ATR grants for the 2009/10 financial year	101	85	84.16	Many of the subsidiary companies, which were counted as per the SLA with the Department are no longer paying levies and therefore cannot receive levies.
	Number of medium-sized firms that received WSP/ATR grants for 2009/10 financial year	26	23	88.46	Some subsidiaries of these companies no longer pay levies; also there were queries outstanding in some of the WSP reports at the time of this report
2.2	Number of small levy paying firms supported by SETAs for 2009/10 financial year	192	244	127.08	Over and above the WSP reporting support BANKSETA offered SMEs other support through workshops/ road shows
2.5	Number of small BEE firms supported by skills development	10	13	130.00	
	Number of small BEE cooperatives supported by skills development	5	6	120.00	
2.7	Number of workers that have registered ABET Level 1	10	19	190.00	Due to increased marketing of the ABET programme more learners participated in the project
	Number of workers that have registered ABET Level 2	10	45	450.00	Due to increased marketing of the ABET programme more learners participated in the project
	Number of workers that have registered ABET Level 3	10	96	960.00	Due to increased marketing of the ABET programme more learners participated in the project
	Number of workers that have registered ABET Level 4	20	83	415.00	Due to increased marketing of the ABET programme more learners participated in the project



Success Indicator No.	Reporting information required	SETA SLA target for 2009/10	Achievements for the year (Cumulatively)	Achievements %	Explanation for variance
	Number of workers that have achieved ABET Level 1	7	38	542.86	Due to increased enrolments and low drop out rate more learners completed this ABET level
	Number of workers that have achieved ABET Level 2	7	93	1328.57	Due to increased enrolments and low drop out rate more learners completed this ABET level
	Number of workers that have achieved ABET Level 3	7	141	2014.29	Due to increased enrolments and low drop out rate more learners completed this ABET level
	Number of workers that have achieved ABET Level 4	14	94	671.43	Due to increased enrolments and low drop out rate more learners completed this ABET level
2.8	Total number of workers that have entered learning programmes	1000	3067	306.70	
	Workers entered learnerships	200	599	299.50	The BANKSETA sponsored employed learnerships for implementation by registered participating employers in the banking sector. The initial funding that was ring-fenced or allocated to this project was R4 000 000.00 each at a cost of R15 000 per learner. After broader consultation with the sector, the BANKSETA implemented a revised grant allocated pricing schedule to incentivise the sector to implement more learnerships, given the impact of the recession (where training budgets are the first to be cut). 18.1 learnerships sponsored by the BANKSETA amounted to 410 employed learners supported on a learnership.
	Workers received bursaries	0	0	0.00	
	Workers entered unit standard-based skills programmes	800	2468	308.50	Due to the compliance 'Fit & Proper' requirements against the FAIS Act, the banks and training providers submitted all learners who had previously entered credit bearing skills programmes
	Total number of workers who have completed learning programmes	500	3752	750.40	
	Workers successfully completed learnerships	100	316	316.00	The increased rate of learners completing is based on learnership grant funding from the previous financial year. ETQA quality assurance and verification support, ensured that learners received their certificates

Success Indicator No.	Reporting information required	SETA SLA target for 2009/10	Achievements for the year (Cumulatively)	Achievements %	Explanation for variance
3.2	Workers successfully completed unit standard-based skills programmes	400	3327	831.75	Due to the compliance 'Fit & Proper' requirements against the FAIS Act, the Banks and training providers submitted all learners who had previously completed credit bearing skills programmes
	Total number of NLPEs, NGOs, CBOs and CBCs supported by skills development	125	208	166.40	
4.1	Target number of NLPEs in the sector to receive skills development support	125	208	166.40	BANKSETA's drive to attract NLPE companies to participate in skills development was successful and the targeted was exceeded
	Total number of unemployed people who have entered learning programmes	1140	1542	135.26	
	Unemployed people entered learnerships	1100	1540	140.00	The BANKSETA sponsored 1000 learners on a post-matric learnership (called LETSEMA) and 200 learners on a post-graduate learnership (called KUYASA); host employers were only required to host the learners. In conjunction with these interventions, the BANKSETA also made grant-funding windows available to employers, to support unemployed learners on learnerships. The initial funding that was ring-fenced or allocated to this project was R4 000 000.00 each at a cost of R15 000 per learner. After broader consultation with the sector, the BANKSETA implemented a revised grant allocated pricing schedule to incentivise the sector to implement more learnerships, given the impact of the recession (where training budgets are the first to be cut). 18.2 learnerships sponsored by the BANKSETA amounted to 275 unemployed learners supported on a learnership.
	Unemployed people received bursaries	0	0	0.00	

Success Indicator No.	Reporting information required	SETA SLA target for 2009/10	Achievements for the year (Cumulatively)	Achievements %	Explanation for variance
	Unemployed people entered internships	20	0	0.00	The uptake for internships was extremely low - even though BANKSETA opened a specific funding window in support of internships. The strict definition of internships, where workplace experience is essential before a degree or diploma is conferred, does not apply in the broader banking and financial services sector; the sector is not governed by a professional body that will have oversight into internships designed for entry level banking. The converse is true for such professional sectors as engineering, accountants and actuaries where internships are critical to the transfer of skills needed prior to having a degree / diploma conferred.
	Unemployed people entered unit standard-based skills programmes	20	2	10.00	
	Total number of unemployed people who have completed learning programmes	570	1006	176.49	
	Unemployed people successfully completed learnerships	550	891	162.00	This increased rate of learners completing, is based on learnership grant funding from the previous financial year. ETQA quality assurance and verification support ensured that learners received their certificates.
	Unemployed people successfully completed bursary studies	0	0	0.00	
	Unemployed people successfully completed internships	10	0	0.00	The uptake for internships was extremely low - even though BANKSETA opened specific funding window in support of internships in prior financial periods.
	Unemployed people successfully completed unit standard-based skills programmes	10	15	150.00	

Success Indicator No.	Reporting information required	SETA SLA target for 2009/10	Achievements for the year (Cumulatively)	Achievements %	Explanation for variance
4.2	Number of learners assisted to gain work experience Number of students/ graduates who find placement in employment or self-employment	100 70	115 136	115.00 194.29	This is the first time that the BANKSETA has implemented a Work-based experience grant. Awareness within the sector still needs to be built in order to increase the participation rates. The learners supported by BANKSETA in the CIDA Bursaries Programme (190 learners) as well as the Thusanani intake II (100) learners, yielded these results. The disappointing results from learners who did not perform well in the CIDA bursary programme (there is a list of learners who need to repeat subjects), is the reason that the percentage of completions could have been much higher.
4.3	Number of young persons trained and mentored to form new ventures Number of new ventures that are in operation 12 months after completion of programme	20 14	37 20	185.00 142.86	Economies of scale ensured that we were able to achieve more NVC learners than expected for the funding amount -- added to this fact fewer starters dropped out than expected. Coaching and mentoring throughout the 12 months ensured that more of the new businesses than anticipated were maintained
5.1	Number of Institutes of Sectoral or Occupational Excellence recognised and supported by SETA	2	5	250.00	
5.2	Number of Institutions accredited to manage delivery of new venture creation qualification	1	2	200.00	Economies of scale ensured that we were able to double up on the training for the FETs

## Annexure E: Discretionary Sector Projects of 2009/10

Project Number	Project Name	Objective	RFP Number	Project Budget R'000	Status
420.4710.207000	Junior & Middle Mgt Dev Programme	To fund the research, design, development and implementation of a junior & middle management development programme.	B-0001481\01\07	231 620	Completed
420.4710.238000	Introductory Course in Islamic Banking	To research and develop an introductory Course in Islamic banking in order to orientate and inform both Muslim and non-Muslim staff in the banks so that they can provide basic information about Islamic banking to their clients. The Muslim Community is increasingly significant economically and there are approximately R4 billion in funds held by Muslim clients. The banking sector wishes to continue to develop this sector of the market.	B-0001244\01\08	1 000	In Progress
420.4710.241000	Financial Education: Translations & Reproducing	To fund the translation of financial literacy materials	B-0001831\01\08	250	Completed
420.4710.245000	SME Building a Better Business 2008/9 and 2009/10	The overall objective is to attract and retain SME participation. This approach integrated with mandatory skills planning and reporting will further increase the level of skills and knowledge within the SME environment of the banking sector.	B-0001900\01\09	1 900	In Progress
420.4710.246000	QCTO Pilot Project	This project supports the sector's transition from a SAQA-based to a QCTO-based system. The QCTO system is set to be implemented from April 2009 and will be fully operational April 2010. This project will fund three curricula and qualification for retail banking, a base for a centralised assessment platform and a blue print for implementation in other areas.	B-0001918\01\09	7 450	In Progress
420.4710.248000	Thusanani programme 2008/9	The first Thusanani Project started in November 2007 with an intake of 100 learners, who graduated in July 2008. The specific aims and objectives of this project included recruitment and selection of learners to start a 12 week work readiness programme. The outcomes of this programme included soft skills training presented by the University of Johannesburg and work experience and mentoring throughout the programme offered by Deloitte Consulting. The programme culminated with a job fair aimed at introducing the learners to potential employers. The Thusanani II project involved the recruitment of a second group of 100 unemployed learners in August 2008, with the learners graduating in April 2009. The cost per beneficiary for this intervention was R43 999.95.	B-0001989\01\09	3 900	In Progress

Project Number	Project Name	Objective	RFP Number	Project Budget R'000	Status
420.4710.249000	Mobile Training Solutions	The aim of this project is to provide an innovative solution to reach SMEs in rural and outlying areas in South Africa by offering a mechanism to deliver existing skills programmes, training and development to SME employees in the broader banking & microfinance sector.	B-0001919\01\09	1 100	In Progress
420.4710.251000	SME Training Voucher Project 2008/09 and 2009/10	The overall objective is to retain and attract SME participation; and this approach integrates with mandatory Skills Planning and reporting processes thereby further increasing the level of skills and knowledge within the SME environment of the banking sector. NSDS targets addressed through this project include 2.2, 2.5, 3.2 and 2.8.	B-0001924\01\09	5 500	In Progress
420.4710.252000	Career Awareness 2008/09 and 2009/10	The aim of this project is to fund the dissemination of a career guide on the various careers (linked to critical and scarce skills) in the Banking / Microfinance industry. This effort will promote the broader industry as an employer of choice.	B-0002043\01\09	2 500	In Progress
420.4710.253000	Scarce Skills Research	The aim of this project is to follow-up on critical, scarce and future skills research already conducted in the Banking and Microfinance Sector.	B-0002044\01\09	1 300	In Progress
420.4710.254000	Masters & Exec Short Courses 2009	To fund the development of HDI candidates to access Masters degrees & other Executive Short Courses. Funding is specific to local HET institutions on a per-annum demand basis.	B-0002048\01\09	6 300	In Progress
420.4710.258000	ABET Support 2008/09 and 2009/10	This project will provide ABET (Adult Basic Education and Training) to employees in the banking sector. To assist employees within the sector that have less than a Grade 9 education to upskill themselves to an NQF level 1 Qualification.	B-0002046\01\09	1 150	In Progress
420.4710.259000	CIDA Bursaries (unemployed)	The purpose of this project is to provide a bursary for 190 students from HDI groups to attend the 2nd year of a 4 year programme at the C.I.D.A Foundations College.	B-0001992\01\09	1 500	In Progress

Project Number	Project Name	Objective	RFP Number	Project Budget R'000	Status
420.4710.262000	Kuyasa 2009	The aim of this project is to fund the participation of learners in the Post Graduate Learnership for unemployed youth as well as to afford the successful applicants the opportunity to gain practical skills within participating host organisations. This project is in line with and contributes to Government's overall aim to alleviate poverty and to reduce the unemployment rate by 50% by 2014. It addresses specifically the NSDS targets of assisting unemployment youth into the formal labour market (indicator 4.1). The specific sector objectives are to use learnerships as one of the vehicles to enable transformation within the sector.	B-0001993\01\09	11 904	In Progress
420.4710.269000	Study to accommodate the deaf in the workplace	To conduct a study on accommodating the Deaf in the workplace and share best practice with the Banking and Microfinance sector.	B-0002026\01\09	300	In Progress
420.4710.270000	Centres of Excellence: NW University	The aim of this project is to fund the establishment of South African Centres of Excellence for the broader banking sector.	B-0002219\01\09	5 250	In Progress
420.4710.271000	SME Lifelong Learning Workshops 2008/09 & 2009/10	The objective of these initiatives is to build capacity as well as to enable and support BANKSETA registered SMEs through the delivery of structured information sharing workshops to practically understand the impact on small businesses.	B-0002086\01\09	2 400	In Progress
420.4710.273000	Doctoral & Post Doctoral Funding	To fund Doctoral and Post Doctoral tuition at HET institutions once research proposal is accepted.	B-0002059\01\09	1 930	In Progress
420.4710.277000	BANKSETA : Scarce Skills Funding	To provide full funding to employers for learnerships for existing employees or new entrants in one or more of the following areas: a) Risk Management, b) ICT, and c) Relationship Management and d) TOPP Programme.	B-0002109\01\09	4 000	In Progress
420.4710.278000	ICT Banking Support Technician Benchmarking	To identify international models and skills development best practices in the production of ICT skills especially in scarce skills areas identified in SA banking sector. The project findings will propose a solution towards addressing ICT scarce skills in the broader Banking and Microfinance sector.	B-0002110\01\09	2 250	In Progress
420.4710.279000	SME Skills Dev Toolkit	To put in place a toolkit that supports the skills development and business performance improvement of microfinance institutions especially in outlying areas.	B-0002111\01\09	1 500	In Progress

Project Number	Project Name	Objective	RFP Number	Project Budget R'000	Status
420.4710.281000	FAIS Preparation	This project will fund mainly the preparation and planning activities of the FAIS project for roll-out in the next financial year (as provided for in the 2009/10 Business Planning).	B-0002139\01\09	400	Completed
420.4710.284000	Interbank Training Material Update	The purpose of this project is to fund the update of the BANKSETA owned Training Material developed previously through the Interbank Training Material development project.	B-0002230\01\09	700	In Progress
420.4710.285000	HIV/AIDS Training Support	The funding will capacitate HIV/AIDS Training in the banking and microfinance sector.	B-0002222\01\09	1 400	In Progress
420.4710.287000	IEDP Europe 2009	To fund the development of 20 senior managers to assist with preparing them for the executive roles that they will enter over the next 2-3 years.	B-0002271\01\10	4 014	Completed
420.4710.288000	Provincial Strategy Implementation	The aim of this project is to promote the BANKSETA brand and indirect permanent presence across South Africa's nine provinces in order to meet targets stipulated and support provincial growth and development strategies.	B-0002273\01\10	500	In Progress
420.4710.289000	PPP New Venture Creation Provider	The aim of this project is to fund the support of facilitators in FETs delivering NVC enterprise training.	B-0002274\01\10	500	Completed
420.4710.290000	FAIS Support & Implementation	Following FAIS project preparation, this 2nd stage of the project will fund the implementation of the solution generated in Stage 1. The aim is to assist the sector employers to comply with FAIS regulations by the deadline date of 31/12/2009.	B-0002275\01\10	7 100	In Progress
420.4710.291000	Co-operative Bank Staff development	Fund the support of 14 Co-op banks by training their staff & shareholders across 3 provinces.	B-0002276\01\10	850	Completed
420.4710.292000	NVC learner Programme	Project aim is to fund new venture creation learners to set up and run their own businesses.	B-0002283\01\10	900	Completed
420.4710.293000	Discretionary Grant Funding Window 2009	This project funds the demand-driven skills development initiatives that Employers are not able to access through BANKSETA funded projects.	B-0002259\01\10	1 951	In Progress
420.4710.294000	Reasonable Accommodation Strategies	To conduct a study on reasonable accommodation of disabled people in the workplace and share best practice with the Banking and Microfinance sector.	B-0002284\01\10	500	In Progress
420.4710.295000	Internships 2009/10	To fund the implementation of internships in the sector	B-0002277\01\10	600	In Progress



Project Number	Project Name	Objective	RFP Number	Project Budget R'000	Status
420.4710.296000	Letsema VII learnership	The purpose of this project is to fund the participation of matriculant learners in a FSB approved qualification linked to a learnership (it may follow the exiting LETSEMA delivery method).	B-0002278\01\10	27 876	In Progress
420.4710.297000	18.2 Niche Learnerships	The aim of the project is to fund unemployed learners in scarce skills within the broader Banking and Microfinance Sector.	B-0002279\01\10	13 185	In Progress
420.4710.298000	18.1 Niche Learnerships	This project aims to fund current employees scarce skills within the broader Banking and Microfinance Sector.	B-0002285\01\10	11 350	In Progress
420.4710.300000	KUYASA 2009/10	The purpose of this project is to fund the participation of post-graduate learners in an FSB approved qualification linked to a learnership (it may follow the exiting KUYASA delivery method).	B-0002281\01\10	14 800	In Progress
420.4710.301000	Bridging programme for learners with disability	To fund people with disabilities on a bridging programme to allow them to meet the selection criteria of the Banking and Microfinance sector for future recruitment.	B-0002286\01\10	3 000	In Progress
420.4710.302000	Scarce Skills Funding	To do an analysis and determine competencies and desired outcomes for the following scarce skills: a) Risk Management, b) ToPP and c) Sales and Relationship Management. In addition the project will make recommendations to meet the requirements identified through the analysis and fund implementation of the recommendations.	B-0002282\01\10	8 400	In Progress
420.4710.303000	National Payment System	This project will fund training on the National Payment System for Banking and Microfinance Staff.	B-0002346\01\10	800	In Progress
420.4710.306000	Microfinance Benchmarking	The purpose of this project is to fund international benchmarking on best practice in microfinance and skills development in selected and approved countries.	B-0002347\01\10	800	In Progress
420.4710.308000	Centre of Excellence: University of Fort Hare	The aim of this project is to provide funding support to the Financial Markets Programme of University of Fort Hare by enhancing the capacity of the Economics Department on the East London campus and granting bursaries to students on honours level which ultimately will assist in the entry of critical economics skills in the banking and micro-finance sector.	B-0002418\01\10	2 725	In Progress

Project Number	Project Name	Objective	RFP Number	Project Budget R'000	Status
420.4710.309000	Work-readiness Intervention	The aim of the project is to enable unemployed post-matric and post-graduate learners become more employable. The programme will incorporate soft skills training, work experience at various BANKSTA registered host employers and coaching and mentoring.	B-0002417\01\10	3 850	In Progress
420.4710.310000	Certificate in Management Development 2010	To fund the development of Junior and Middle Management candidates. At the end of this project 160 candidates would have benefitted from this programme as well as 75 JaMM alumni who will obtain the full Milpark qualification.	B-0002394\01\10	400	In Progress
420.4710.311000	IEDP Planning 2010	The aim of this preparatory budget is for set-up costs related to running two International Executive Development Programmes (IEDP) next year (2010). The funding will entail signing agreements to build the capacity of 2 local HET institutions that will engage with 2 overseas business universities to provide the tailored Executive Development offerings.	B-0002391\01\10	1 800	Completed
420.4710.312000	Youth Portal	The aim of the project is to enable unemployed post-matric and post-graduate learners become more employable. The funding includes the development of a Youth Alumni Portal to which all current and past BANKSETA beneficiaries can participate on issues impacting career development of youth.	B-0002475\01\10	1 000	In Progress
420.4710.313000	Financial Literacy	The purpose of this project is to fund a training programme that will advance financial literacy in the youth, Cooperatives, SMEs and customers of the selected SMEs.	B-0002651\01\11	3 000	In Progress
420.4710.314000	ASTD Techknowledge Conference 2010	To gather information and benchmark latest world trends in application of multimedia and technology platforms in learning by attending the ASTD Tech-knowledge International Conference in Las Vegas, USA.	B-0002575\01\10	500	In Progress
420.4710.315000	InterSETA Summit 2009	The aim of the summit is to provide funding support and collaborate with other SETAs in order to enhance the SETA brand and illustrate the power of SETA coordination in transforming South Africa Learning in the next five years.	B-0002597\01\10	200	Completed

# Acronyms

ABET	Adult Basic Education and Training
ASTD	American Society on Training and Development
ATR	Annual Training Report
BANKSETA	Banking Sector Education and Training Authority
BBBEE	Broad Based Black Economic Empowerment
DHET	Department of Higher Education and Training
DoL	Department of Labour
ETQA	Education and Training Quality Assurance
FAIS	Financial Advisory and Intermediary Services Act
IEDP	International Executive Development Programme
ICT	Information and Communications Technology
MFSA	Micro Finance South Africa
NSDS	National Skills Development Strategy
PASA	Payments Association of South Africa
PFMA	Public Finance Management Act
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SLA	Service Level Agreement
SAQA	South African Qualifications Authority
SAICA	South African Institute of Chartered Accountants
SME	Small and Micro Enterprise
SDA	Skills Development Act
WSP	Workplace Skills Plan

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