



SETA impact Celebrating 15 years of uplifting skills

ANNUAL GENERAL MEETING

19 NOVEMBER 2015



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

AGENDA

- Opening and welcome
- Apologies
- Minutes of the previous AGM and matters arising
- Chairperson's Report
- GM: Operations Report
- CFO's Report (including 2016/17 Business Plan and Planned Budget)
- Approval of 2014/15 Annual Financial Statements and Annual Report and 2016/17 Business Plan (GM: Corporate Services)
- BANKSETA Board Members (Company Secretary)
- Skills @ work Awards
- General
- Closure



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CHAIRPERSON'S REPORT

19 NOVEMBER 2015



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OUR MANDATE

- Facilitate the development of skills in support of the banking sector (including Inclusive Banking)
- Equal responsibility to develop skills for the employed and the unemployed
- Draw from inputs received from the sector and enriched by continuous research
- Further pronounced in the SLA BANKSETA enters into with the Minister of Higher Education
- Refined by daily lessons that we draw and assessments made by statutory bodies

HIGHLIGHTS OF 2014-15

- Global economy remained under immense pressure
- South Africa continued to struggle with low growth rates and increasing unemployment
- Energy crises added to low productivity levels
- Nigeria officially surpassed SA as the continent's biggest economy
- Stand off between government and business on the new regulations culminating in BUSA case outcome in 2015
- Demise of African Bank

HIGHLIGHTS OF 2014-15

- Refining our strategy for effective response to the sector's current and future skills requirements
- Refining our research & SSP formulation approach (demography and SIPS)
- Increased focus on pursuing programmes that promote innovation and integration of technology
- Support for the TVET sector
- Increasing BANKSETA's accessibility (e.g. opening the Polokwane Office)
- Increased support to institutions of higher learning – bias to HDIs
- Support the banking sector in its continental expansion drive

OUTLOOK

- New SETA Landscape; initiating sector wide consultation – report back to DHET in January 2016
- BANKSETA License and term of current board extended by 2 years
- Piloting a focused approach to BANKSETA's involvement in the SIPS Programme – supported by research
- Seeking better collaboration with the sector in building innovative programmes
- SETA wide approach to respond to # Fees Must Fall – board has committed to support
- Support to institutions of higher learning & TVETs
- Lest we forget to always probe our impact on the marginalized



THANK YOU





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GM: OPERATIONS REPORT

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BANKSETA VISION AND MISSION

VISION


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.




GUIDING PRINCIPLES

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



BANKSETA VALUES

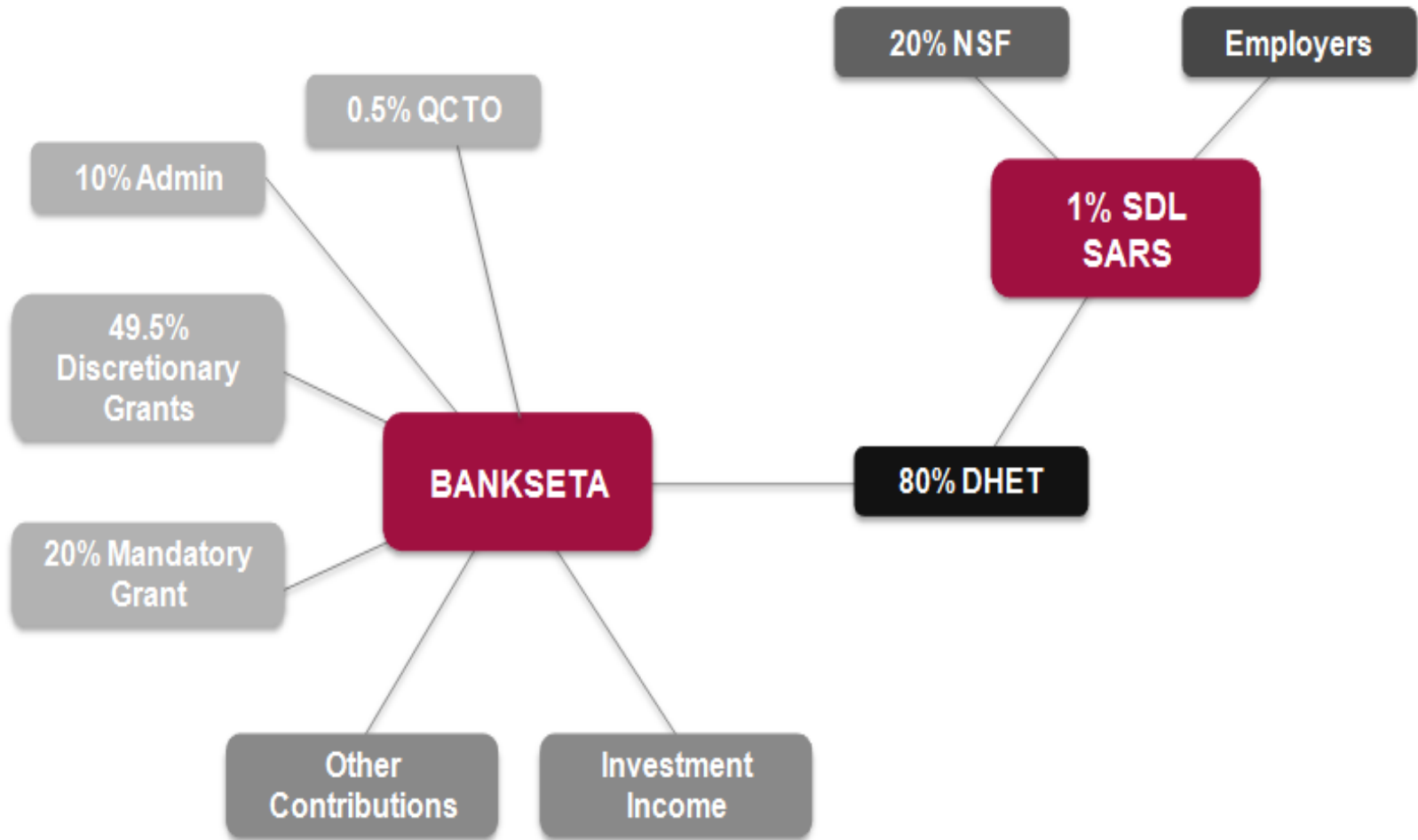
- Respect
 - Innovation
 - Customer focus
 - Professionalism
 - Diversity
 - Integrity
 - Team work
- 



LEGISLATIVE MANDATE

- Encouraging employers to develop an active learning environment in the workplace
- Providing employees with opportunities to acquire new skills / progress in their careers
- Increasing levels of investment in workplace education and training
- Promoting transformation as guided by the NSDS equity targets of 85% black, 54% female and 4% people with disabilities

CURRENT FUNDING MODEL



PERFORMANCE INFORMATION

2014/2015 DHET / BANKSETA SLA SUMMARY

GOALS / OUTCOME / OUTPUTS	TARGET	ACHIEVED
4.2.1 LEARNERSHIPS WORKERS ENTERED	3650	Partially Achieved
4.2.1 BURSARIES WORKERS ENTERED	638	Achieved
4.2.1 SKILLS PROGRAMMES WORKERS ENTERED	150	Achieved
4.2.1 LEARNERSHIPS WORKERS COMPLETED	1756	Partially Achieved
4.2.1 BURSARIES WORKERS COMPLETED	195	Achieved
4.2.1 SKILLS PROGRAMMES WORKERS COMPLETED	113	Achieved
4.2.1 LEARNERSHIPS UNEMPLOYED ENTERED	800	Achieved
4.2.1 BURSARY UNEMPLOYED ENTERED	629	Achieved
4.2.1 INTERNSHIPS UNEMPLOYED ENTERED	205	Partially Achieved
4.2.1 SKILLS PROGRAMMES UNEMPLOYED ENTERED	210	Achieved
4.2.1 LEARNERSHIPS UNEMPLOYED COMPLETED	640	Achieved
4.2.1 BURSARY UNEMPLOYED COMPLETED	346	Partially Achieved
4.2.1 SKILLS PROGRAMMES UNEMPLOYED COMPLETED	168	Achieved
4.2.3 UNIVERSITY GRADUATE PLACEMENT	500	Partially Achieved
4.3.2 TVET GRADUATE PLACEMENT	600	Achieved
4.3.2 TVET COLLEGE PARTNERSHIPS	7	Achieved
4.4. AET PROGRAMMES ENTERED	500	Achieved
4.6.1 CO-OPERATIVES	30	Achieved
4.6.2 SMALL BUSINESS SUPPORT	40	Achieved
4.8 CAREER GUIDANCE	500	Achieved

OPERATIONAL HIGHLIGHTS – OVERALL

- New office in East London
- Appointed staff to Finance and IT Departments in line with strategic decision to insource
- Unqualified audit
- Target for Workplace Skills Plans exceeded – 96% pay-out of Mandatory Grants
- Stakeholder engagement –partnerships with the BASA, SABPP, Association for Skills Development, business boardrooms
- Customer Satisfaction Survey – 82,5%

STRATEGIC FOCUS AREAS: YOUTH DEVELOPMENT

- 888 Grade 10, 11 and 12 learners assisted with math and science support across six centres across four provinces
- More than 7000 career guides distributed and 639 life orientation teachers trained in career awareness

STRATEGIC FOCUS AREAS: CAPACITY BUILDING OF PUBLIC TRAINING PROVIDERS

- 12 TVETs for WIL
- 6 UoTs for WIL
- 8 TVET colleges accredited with AAT(SA) to deliver the Accounting Technician level 3 qualification
- 300 learners being trained on the Accounting Technician level 3 qualification
- 30 lecturers supported to obtain a Level 4 Accounting technician qualification
- 18 learners at Sol Plaatjes in the Northern Cape linked to the Square Kilometer Array Project

STRATEGIC FOCUS AREAS: SKILLS FOR THE EMPLOYED

Inter-Banking Compliance Project: Compliance E-Learning & Training Material

30 pieces of legislation that has been broken up into themes:

- Theme 1 - What is Compliance
- Theme 2 - Data Protection
- Theme 3 - Business Conduct
- Theme 4 - Anti-Money Laundering & Terrorist Financing Legislation
- Theme 5 - Governance and Prudential Requirements

All these have been developed into an e-learning intervention with a complementary learner guide.

STRATEGIC FOCUS AREAS: SKILLS FOR THE EMPLOYED

Occupational Certificate: Compliance Officer

- Training material was Designed and Developed in line with the Occupational Certificate: Compliance Officer qualification.
- 50 Compliance Officers were selected and trained in order to assist business with end-to-end Compliance Processes and Practices.

STRATEGIC FOCUS AREAS: SME SUPPORT

- Completions of skills needs analysis for development finance
- Support to the Co-operative Academy in KZN
- The BANKSETA/CBDA internship pilot where 10 interns graduated successfully with 2 getting employed by the Presidency and an another employed by SARS
- 40 SMEs assisted with demand driven training

STRATEGIC FOCUS AREAS: RESEARCH AND BENCHMARKING

- IT research and Africa Expansion phase 1 research
- A more focused Sector Skills Plan with greater alignment to the Strategic Plan and Annual Performance Plan to findings from sector skills planning
- 12 Phd students funded – with 2 completing their degree thus far

2016/17 STRATEGIC OUTCOME-ORIENTATED GOALS

Strategic outcome Oriented Goal 1

Research sector skills and undertake benchmarking against national and international best practices to ensure relevant and cutting edge interventions.

Strategic outcome Oriented Goal 2

To enhance the employability of the Youth through effective education and training development initiatives.

Strategic outcome Oriented Goal 3

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

2016/17 STRATEGIC OUTCOME-ORIENTATED GOALS

Strategic outcome Oriented Goal 4

Enhance SME participation, sustainability and job creation through skills development.

Strategic outcome Oriented Goal 5

To enhance and build capacity of public FETs / HEIs, SME providers and universities of technology to increase the national footprint and to improve relevance of training interventions in response to sector needs.

Strategic outcome Oriented Goal 6

To create a skills pool that would enable the sector to meet transformation targets.

2016/17 FOCUS AREAS

- Establishment of an assessment centre for QCTO Qualifications
- Establishment of an RPL Centre
- Consolidation of projects and a full impact assessment for NSDS III period
- Focus of skills development for digitisation and technological developments
- Training of National Credit Act Amendments
- Rural Training in Financial Management
- Partnerships with National Credit Regulator, Stokvel Association
- Labour Market Forecasting

SETA LANDSCAPE

- National Skills Development Strategy III extended to 31 March 2018
- SETAS re-established to 31 March 2018
- SETA Accounting Authorities (Council) re-established until 31 March 2018
- Minister of Higher Education and Training publishes Government Gazette No 39386 Vol. 605 on 10 November 2015 proposing a new SETA Landscape
- Submissions and inputs should be submitted by 20 January 2016 to the Department of Higher Education and Training (DHET) by e-mail, post or hand delivery
- Submission to the BANKSETA by 8 January to collate, submit to council and submit to DHET by 20 January



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CFO REPORT

19 NOVEMBER 2015



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Financial Highlights

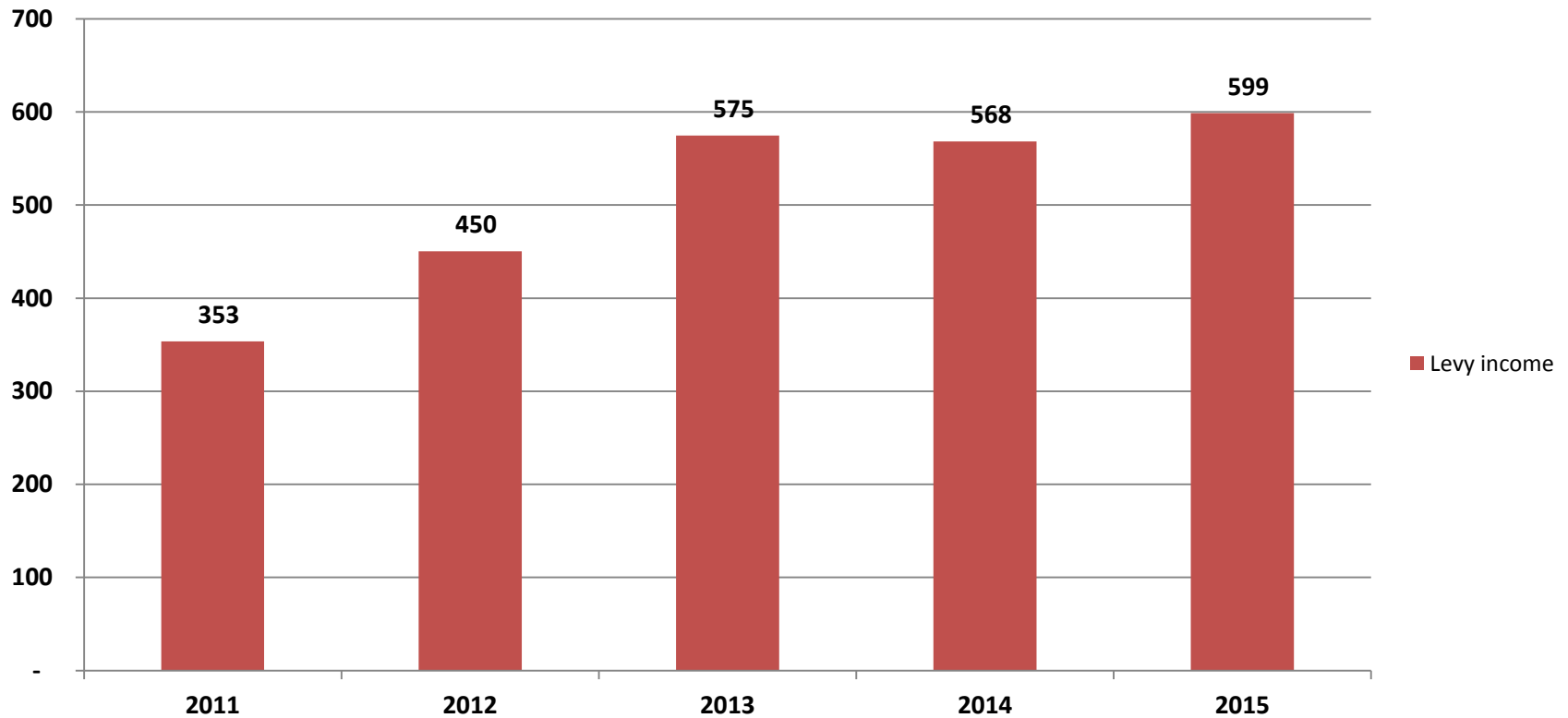
- **Clean Audit – unqualified**
- Levy payers 648, prior year 653
- Levy income R599 million, increase 5%, total income R680 million, increase 11%
- Allocated R720 million during the year to DG projects, spent R336 million increase 43%
- Discretionary funds at year end are 94.6% committed. Surrendered R2 million to NSF.
- Mandatory grant payment ratio remained high at 97%.
- Admin expenses at R56 million below the 10.5% legislated limit.
- Human Resources - staff increased to 40 from 33 due to insourcing of functions.
- Staff costs R24.9 million (prior year R 18.8 million).
- Established 2 regional offices and 1 provincial presence in a TVET.
- Consulting and outsourced services costs R12.8 million (prior year R11.9 million).
- External audit fees R1.7 million (prior year R1.6 million).
- Operating leases R2.4 million (prior year R2.1 million).
- Research and QCTO costs R3.2 million (prior year 3.0 million).

BANKSETA Financial Performance

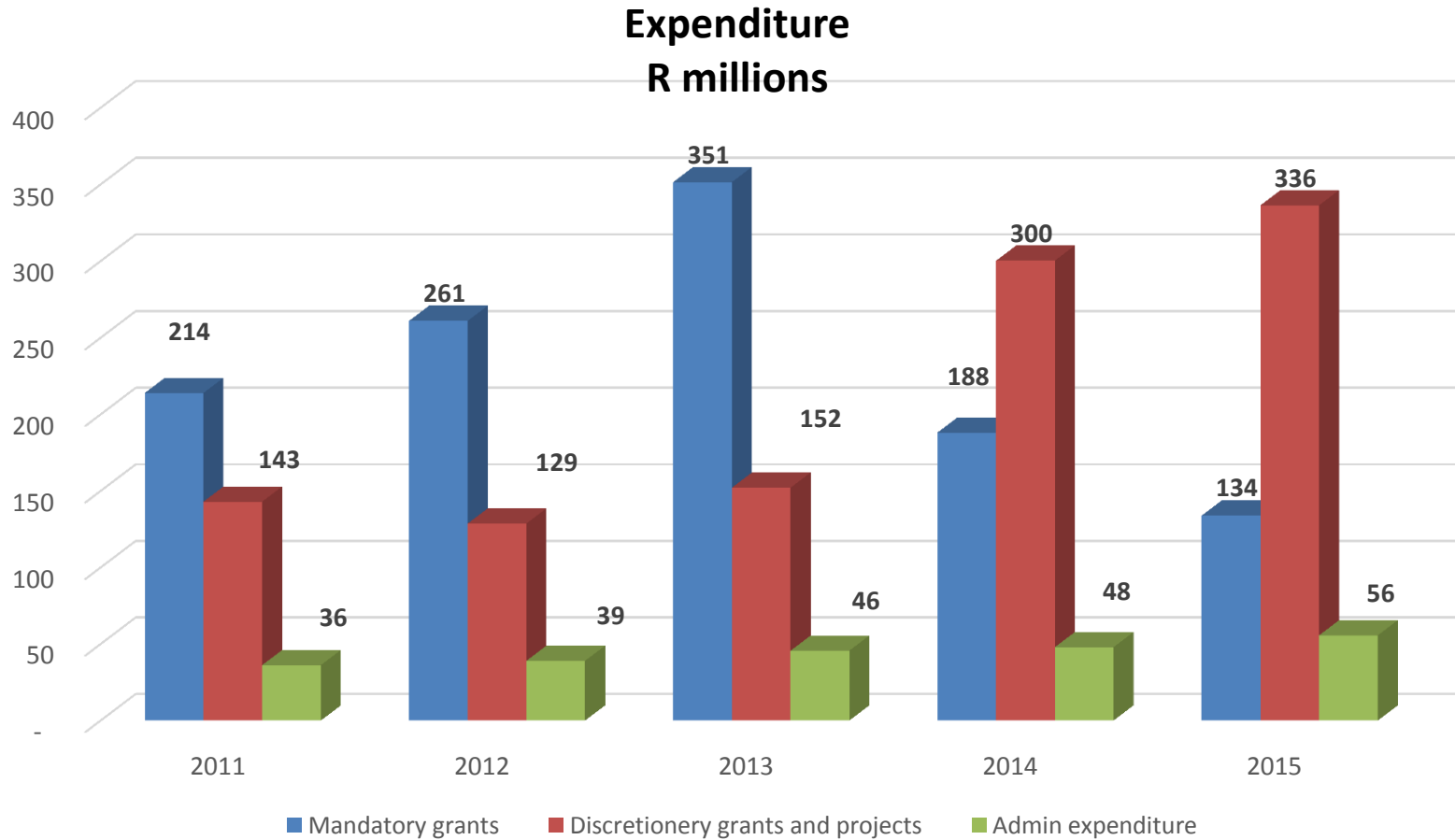
	2015	2014	%	
	R millions	R millions	Var	
Audit outcome	Unqualified	Unqualified		Commentary
Revenue				
Levy income	599	568	5%	Mainly inflationary growth interest rates increased in later half of the year and fund grew.
Investment Income	28	20	41%	
Donations	16	21	-21%	Final portion of the co-funding agreements with ABSA
Other income	38	4	959%	Mainly penalties and interest
Total revenue	680	612	11%	
Expenditure				
Mandatory grants	134	188	-29%	Decrease due to change in % claimable from 50% to 20%. Claim ratio remained at 97%.
Discretionary grants and projects	336	235	43%	Higher amounts, 49.5% available , but there was also an expenditure ceiling in place.
FET College Contribution	-	65		Prior year contribution
Admin expenditure	56	48	16%	Within 10% level. Increase due to additional offices and staff growth
Finance expenditure	3	2	21%	Interest on FET contribution paid in instalments.
DG Surrender to NSF	2	-		Commitments was slightly below legislated level of 95% at 94.6% leading to forfeiture of these funds
Total expenditure	531	539	-1%	
Net Surplus	149	74	102%	Surplus mainly due time lag between income receipt, allocation and training delivery

BANKSETA Financial Performance

Levy income
R millions



BANKSETA Financial Performance

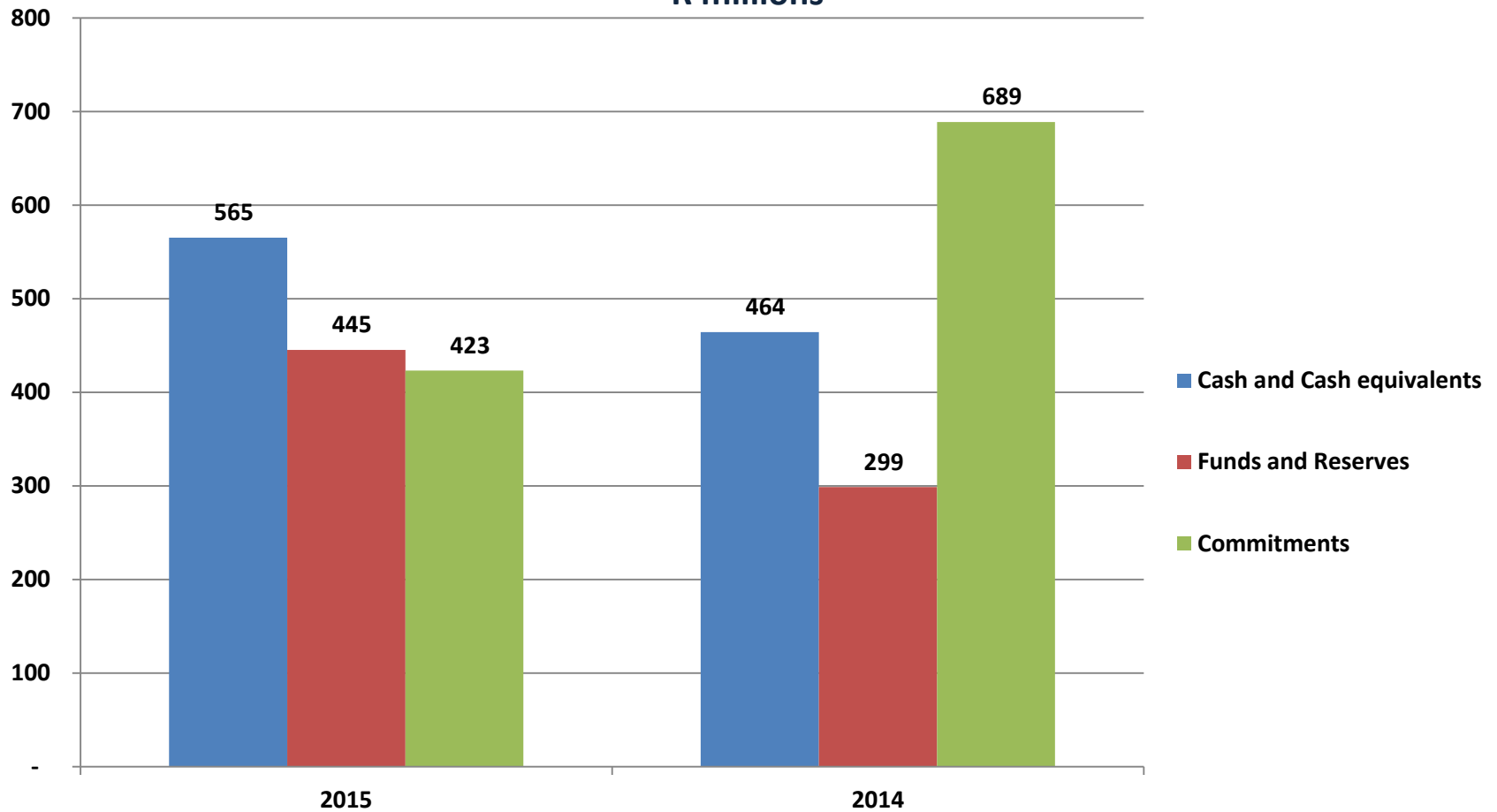


BANKSETA Financial Position

Year ended 31 March 2015	2015 Actual	2014 Actual	% Var
	R millions	R millions	
Assets			
Non Current Assets - PPE	2	2	
Accounts receivable	19	3	584%
Cash and Cash equivalents	565	464	22%
Consumables	0	0	
Total Assets	586	469	25%
Liabilities			
Non current liabilities - FET	-	28	
Trade and other payables	122	121	1%
Provisions	17	1	1259%
Donor Funding received in advance	-	20	-100%
Total liabilities	139	170	-18%
Net Assets	447	299	50%
Funds and Reserves	447	299	50%
Commitments	423	689	-39%
% Committed	94.6%	230.6%	

BANKSETA Financial Position

Cash, Reserves and Commitments
R millions

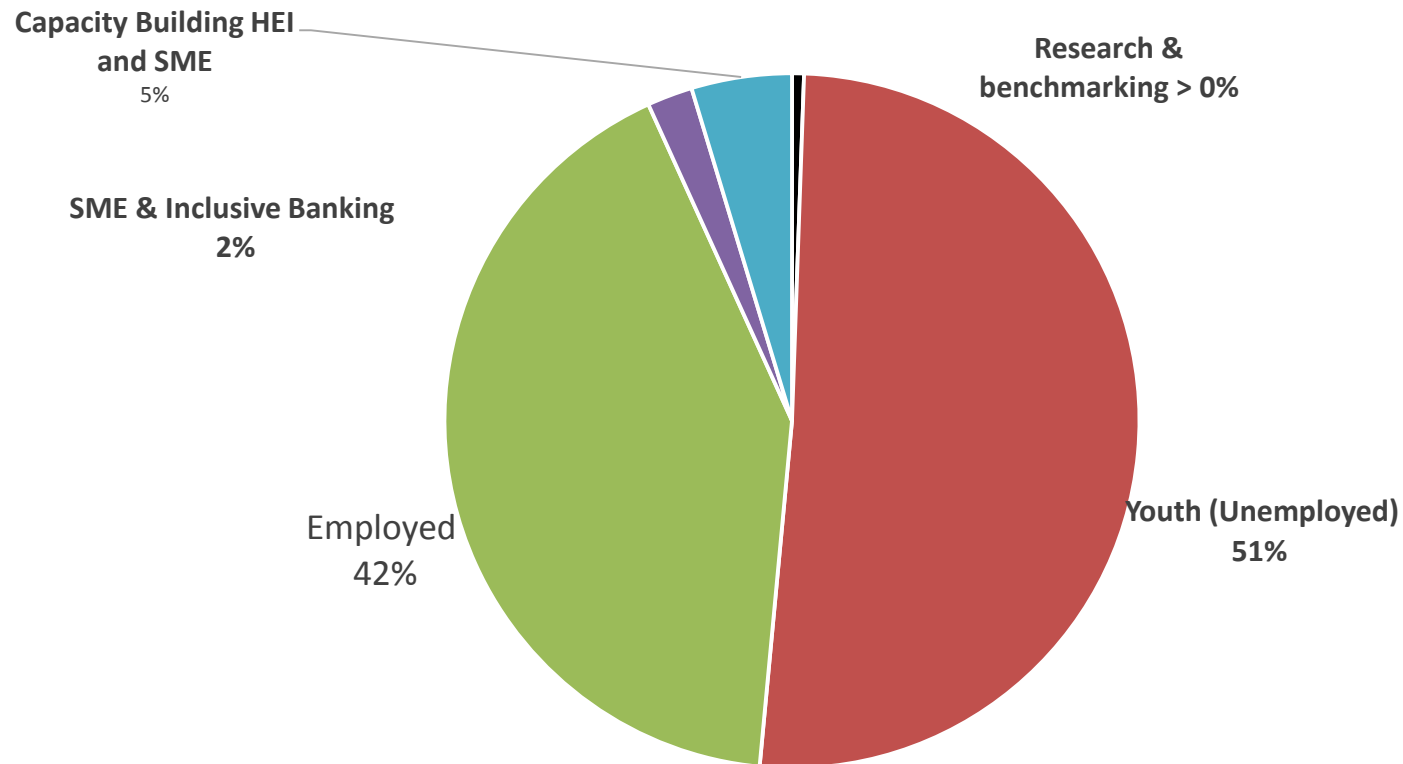


BANKSETA 2015/16 Budget

	2015 Actual	2016 Budgeted	% Var	
	R millions	R millions		
Revenue				
Levy income	599	625	4%	Conservative inflationary growth
Investment Income	28	24	-13%	Funds expected to drop to R400 million as DG spend is accelerated
Donations	16	-		No co-funding contracts expected.
All other	38	-		
Total revenue	680	649	-5%	
Expenditure				
Mandatory grants	134	152	14%	Expected to remain at 97% claim ratio
Discretionary grants and projects	336	415	23%	Greater DG spend to track income
Admin expenditure	56	82	47%	Set at 10% level
Finance expenditure	4	-		
DG Surrender to NSF	2	-		
Total expenditure	532	649	22%	
Net Surplus	149	-		Net zero surplus/deficit position

BANKSETA 2015/16 Budget

Allocation of DG funds - 2016/17





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APPROVAL OF 2014/15 AFS AND ANNUAL REPORT APPROVAL OF 2016/17 BUSINESS PLAN AND BUDGET

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BANKSETA BOARD MEMBERS

Representing Employee Forum:

- Joe Kokela (Sasbo)
- Samantha Anthony (Sasbo)
- Myan Soobramoney (Sasbo)
- Manny Captain (Sasbo)
- Liesel Hollis (Sasbo)

Representing Employer Forum:

- Abram Thebyane (Nedbank)
- Nathan Motjuwadi (Capitec Bank)
- Elizabeth Maepa (FirstRand) (resigned effective from December 2015)
- Sharon Taylor (Standard Bank)
- Sarah Louw (Absa/Barclays Bank) (joined from June 2014)
- Israel Noko (MFSA) (joined from June 2014)

BANKSETA BOARD MEMBERS

Ministerial Appointments

- Martin Mahosi (Chairperson)
- Malesela Maleka

Board member resignations

- Isaac Ramputa (January 2014)
- Elizabeth Maepa (November 2015)

Board member nominations (awaiting approval by the Minister)

- Olaotse Matshane (CBDA)
- Amanda Naude (Sasbo)
- Sifiso Mthembu (FirstRand)



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SKILLS@WORK AWARDS

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