



BANKING SECTOR EDUCATION AND TRAINING AUTHORITY



*Enabling Transformation
through Skills Development*

ANNUAL REPORT **2023/24**



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA





Minister of Higher Education,
Science and Innovation

Dr Bonginkosi Emanuel 'Blade' Nzimande



Deputy Minister of Higher Education,
Science and Innovation

Mr Buti Kgwaridi Manamela

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

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

Dear Honourable Minister,

In terms of the provision of Section 10 (2) of the Public Audit Act of 2004, it is an honour to submit the annual report for the financial year ended 31 March 2024.

This report presents the affairs of the Banking Sector Education and Training Authority (BANKSETA) its operations, financial performance and developments across all performance targets, set out with the Department of Higher Education and Training.

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

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

Yours faithfully,

Mr Eubert Mashabane
Chief Executive Officer

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PART A

General Information

BANK
S E T A



Enabling Transformation through Skills Development



PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name:	Banking Sector Education and Training Authority
Registered Number:	02/BANKING/1/04/20
Website:	www.BANKSETA.org.za
Tax-exempt Registration Number:	9277355229
VAT Registration:	VAT Exempt
External Auditors:	The Auditor-General of South Africa
The Bankers:	Nedbank Corporate Banking
Company Secretary:	Ms Candice Perumalsami
Telephone:	+27 11 805 9661
Publisher:	BANKSETA
Chief Executive Officer:	Mr Eubert Mashabane
ISBN:	978-0-621-52004-0

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LIST OF ACRONYMS

4IR	Fourth Industrial Revolution	ISA	International Standards on Auditing
5IR	Fifth Industrial Revolution	IT	Information Technology
AA	Accounting Authority	LGSETA	Local Government SETA
AB	Alternative Banking	MBA	Master of Business Administration
ARC	Audit and Risk Committee	MIS	Management Information System
AFS	Annual Financial Statements	MoA	Memorandum of Agreement
AGSA	Auditor-General of South Africa	MANCO	Management Committee
APP	Annual Performance Plan	MoU	Memorandum of Understanding
APR	Annual Performance Report	NDP	National Development Plan
ATR	Annual Training Report	NFSAS	National Skills Financial Aid Scheme
BANKSETA	Banking Sector Education and Training Authority	NEET	Not in Education, Employment or Training
BASA	Banking Association South Africa	NGOs	Non-Governmental Organisations
BBBEE	Broad Based Black Economic Empowerment	NQF	National Qualifications Framework
CBDA	Co-operative Bank Development Agency	NSA	National Skills Authority
CBO	Community Based Organisation	NSDP	National Skills Development Plan
CEO	Chief Executive Officer	NT	National Treasury
CETC	Community Education and Training Colleges	OD	Organisational Development
CFI	Cooperative Financial Institution	PFMA	Public Finance Management Act
CFO	Chief Financial Officer	PIVOTAL	Professional, Vocational, Technical and Academic Learning
DBSA	Development Bank South Africa	PwD	Persons with Disabilities
DDM	District Development Model	QCTO	Quality Council for Trade and Occupations
DHET	Department of Higher Education and Training	RMC	Risk Management Committee
EA	Executive Authority	RPL	Recognition of Prior Learning
EDP	Executive Development Programme	SALGA	South African Local Government Association
EE	Employment Equity	SAQA	South African Qualifications Authority
EEP	Employment Equity Policy	SARB	South African Reserve Bank
EEP	Employment Equity Plan	SARS	South African Revenue Service
ERRP	Economic Reconstruction and Recovery Plan	SASBO	South African Society of Bank Officials
EXCO	Executive Committee	SCM	Supply Chain Management
FAISA	Financial Advisory and International Services Act	SDF	Skills Development Facilitator
FSC	Financial Services Code	SETA	Sector Education and Training Authority
FSCA	Financial Sector Conduct Authority	SLA	Service Level Agreement
GDP	Gross Domestic Product	SME	Small and Medium Enterprises
GRAP	Generally Recognised Accounting Practice	SOE	State Owned Entities
GSC	Governance and Strategy Committee	SP	Strategic Plan
HEI	Higher Education Institution	SSP	Sector Skills Plan
HR	Human Resources	TETA	Transport Education Training Authority
HRIS	Human Resource Information System	TVET	Technical and Vocational Education and Training
HRMS	Human Resources Management System	UoT	Universities of Technology
HWSETA	Health and Welfare SETA	WBL	Work Based Learning
ICT	Information and Communications Technology	WIL	Work Integrated Learning
		WSP	Workplace Skills Plan

ABOUT THIS REPORT

The framework for this annual report applies the principles of sustainability reporting espoused by the King IV Code on Corporate Governance.

The annual report measures, discloses and accounts to internal and external stakeholders on organisational performance. The report is a comprehensive narrative on institutional strategies to achieve the SETA's legislated mandate, financial information, risk reporting and institutional governance framework.

Reporting Period

BANKSETA is guided by its legislated mandate, the Public Finance Management Act (No 29 of 1999) and Treasury Regulations, and its reporting period for the 2023/24 financial year is in line with these.

Annual Financial Statements for the 2023/24 Financial Year

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







Ms Nosipho 'Mia' Makhanya
BANKSETA Board Chairperson

CHAIRPERSON'S FOREWORD

The SETA achieved 80.30% of its performance targets, contributing to Skills development within the sector and responding to the needs of beneficiaries.

STRATEGIC RELATIONSHIPS

During the financial year under review, the BANKSETA strengthened its partnerships and collaborations with fellow government entities and other stakeholders. The Accounting Authority approved and implemented a comprehensive stakeholder engagement plan. The plan aimed to strengthen stakeholder relations to further the reach and impact of BANKSETA programmes. Key initiatives that emanated included expanding into new regions, particularly in the rural areas, through participating in the district development model, investing in Technical Vocational Education and Training (TVET) providers and strengthened work with community colleges to tackle unemployment and stimulate economic growth.

In addition, agreements entered into in prior years came into fruition allowing for the advancement of programmes and funding through local and district municipalities as well as provincial government. BANKSETA engaged in a collaborative programme with the Transport Education Training Authority (TETA) to support youth employment and entrepreneurship.

The Last Mile Delivery programme included recruiting and training a total of 1 200 learners to become economically active within the transport and retail sector. The programme was further supported by the National Youth Development Agency (NYDA). Following the launch of the SETA Integrated High Impact Programmes, BANKSETA will be participating in more programmes and projects with other SETAs.

In the 2023-2024 financial year, BANKSETA's work was underpinned by responding to national priorities and sectorial needs to aid in creating sustainable employment opportunities and economic growth. The BANKSETA progressed in fostering beneficial partnerships to strengthen the implementation of skills development projects and programmes in the banking and alternative banking sector.

Our strategic focus included implementing programmes and projects that aligned with the Economic Reconstruction and Recovery Plan (ERRP), while recognising the changing landscape from a technological and digitalisation perspective and the need for innovative solutions. We further focused on programmes within risk and compliance, management and leadership development.

In the year under review, the finance sector continued to be a beacon of hope, as the local economy struggled to grow at a rate conducive to job creation. During the year, the South African economy grew by approximately 0.5% year on year, while the finance sector remained resilient and grew at a higher rate of 2.4% compared to other sectors. In terms of the PwC report Major Banks Analysis for South Africa, major local banks showed strong growth in headline earnings in 2023 of R113.2 billion, an increase of 13.8% compared to 2022.

With this context in mind, the Accounting Authority is pleased with BANKSETA's performance. The Sector Education and Training Authority (SETA) achieved 80.30% of its performance targets, contributing to skills development within the sector and responding to the needs of beneficiaries.

Priority will be given to programmes that result in youth employment opportunities, sustainable entrepreneurial, small business and cooperative development, rural community development and effective and efficient share services for SETAs amongst other things. In addition, BANKSETA will continue to widen the geographical reach of its programmes, particularly for black people living with disabilities, female and the youth.

The Accounting Authority remains committed to fostering and maintaining strong relationships with diverse stakeholders to respond to the needs of beneficiaries across the country. For the year to come, BANKSETA's strategic focus will be to address the needs of our stakeholders and our beneficiaries, both employed and the unemployed. The SETA will continue to align skills development initiatives to the utilisation of technology in reshaping the sectorial landscape. Further, attention will be given to enhancing stakeholder engagement to refine strategic approaches.

GOVERNANCE AND OVERSIGHT

The Accounting Authority and management worked hand in hand to respond to the governance challenges of the prior year. Although the vacancies at the board level are yet to be filled, the board, its committees and sub-committees were fully operational throughout the financial year fulfilling their oversight role. Further support and guidance was provided to the management team. The Accounting Authority approved the study design by BANKSETA to address the pressing operation needs caused by human capacity constraints. The new structure seeks to improve administrative processes, programmes and project management and performance.

Attention was further given to improving the internal control environment and addressing weaknesses identified in the preceding year. In the 2023/24 financial year, BANKSETA achieved an unqualified audit opinion, which demonstrates management's effort in implementing the audit action plan which was approved by the Accounting Authority to address issues raised by the Auditor General South Africa (AGSA) in the previous year. The Board welcomes this improvement and implores management to strengthen the control environment further to work towards a fully unqualified audit in the year to come.

ACKNOWLEDGMENTS AND APPRECIATION

On behalf of myself and the Accounting Authority, I extend my deepest gratitude to all who contributed towards BANKSETA's success. We thank the Honourable Minister Dr Nzimande and the office of the Minister for their support and guidance throughout the year. We further welcome the new Honourable Minister Dr Nkabane and look forward to working with her and her office in implementing the mandate of BANKSETA. We value the continued assistance of the Department of Higher Education and Training, the National Skills Authority as well as the National Treasury.

We further acknowledge the work of the Auditor General of South Africa and appreciate the collaborative work from our sister SETAs. We thank our stakeholders and their invaluable partnerships, as well as our beneficiaries who participated in programmes and projects. We thank the staff of BANKSETA, its senior and executive leadership and Mr Mashabane for their dedication. In the midst of challenges, they remained committed to executing the mandate of the SETA. My personal thanks and appreciation also goes to the members of the Board and the independent committee members, who have continuously supported the work of BANKSETA. I am grateful for your vital contributions.

BANKSETA's achievements are a testament to the collective effort of our staff, leadership and stakeholders. Together, we remain committed to driving skills development and socio-economic growth in South Africa.



Ms Nosipho 'Mia' Makhanya
BANKSETA Board Chairperson



Mr Eubert Mashabane
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REVIEW

The project intends to increase the footprint of BANKSETA across the country.

Commitments on the surplus funds were lowered to 60% (R577 million) as a result of higher than usual write backs of non-performing discretionary grant contracts. These were grant contracts whose balances were written back into the discretionary pool of funds on account of stakeholders not meeting the agreed spending targets. We will be putting in additional measures to ensure higher levels of commitment in the 2024/25 year.

GENERAL FINANCIAL REVIEW

The BANKSETA is pleased to report on another busy and eventful year, marking a continuation on the previous year's performance. The banking sector remained economically robust throughout the year under review, providing the BANKSETA with a steady inflow of revenue that met and exceeded our budget expectations.

The overall performance for the period remained at levels of 80% on par with the 2022/23 financial performance. This excludes performance figures relating to previous years which needed to be amended but are otherwise not applicable nor relevant to this financial year under review. BANKSETA embarked on a drive to encourage stakeholders to complete all slow-moving training projects and to submit all performance information. As a result of this BANKSETA paid R62 million in DG expenditure from achievements in prior years for which BANKSETA can not report the achievement and had to restate prior year figures in order to recognise expenditure relating to those prior years.

Spending on discretionary grants however increased 11% compared to the previous year. The discretionary grant improved to R883 million from R792 million in the previous year. BANKSETA further maintained a mandatory claims ratio of 98% in the current year.

Surplus funds have been reduced by 6% to R853 million (R903 million in 2022/23).

SPENDING TRENDS

Notwithstanding slower and even sluggish growth rates in the majority of the South African economic sectors, the banking sector continued to enjoy decent growth levels that supported BANKSETA's revenue budget projections. Total revenue increased to R1 194 million up 17% from the previous year's figure of R1 021 million. BANKSETA spending is guided by legislation whereby 20% of the sector's levies to the National Skills Fund and the remaining 80% is spent by BANKSETA as follows.

- 20% on mandatory grants for qualifying levies paying employers in the sector.
- 10.5% on administration expenses of the SETA including contributions to the functions of the QCTO.
- 49.5% on discretionary grants to support various goals of the National Skills Development Plan.

BANKSETA saw an overall increase in the spending categories of mandatory and discretionary grants. Overall, our discretionary grant expenditure improved by 11% to R883 million (R792 million) in 2022/23-restated. BANKSETA paid R258 million in mandatory grants to qualifying employers representing claims ratio of 98%, an improvement of 13% compared to the previous year's figure of R229 million. The SETA remained within the legislated 10.5% of administration expenses allowed.

Cash and cash equivalents at year end were R1 043 million (R1 127 million in 2022/23) representing an 8% decrease from the previous year. This is attributed to the higher spending on discretionary grants and mandatory grants.

Our net deficit of R49.9 million shows that we continue to spend above our annual income, thus reducing the amount of surplus funds. However, compared to our adjusted 2023/24 budget following approval of our 2022/23 surplus, the BANKSETA did not achieve the expenditure budget by R398 million.

Accumulated reserves decreased 5% to R858 million compared to R907 million in 2022/23.

CAPACITY CONSTRAINTS AND CHALLENGES

The stakeholders' capacity to utilise approved grants remained a concern during the year under review. As a result of dormant, unproductive discretionary contracts BANKSETA wrote-back over R180 million in grants that could otherwise have been spent on training employees in the sector. Most of these grants related to prior years (2021/22 and before) which stakeholders could not complete or trained lower numbers of employees. BANKSETA will continue to support stakeholders to implement all of the targets agreed in approved projects.

The BANKSETA Organisational Design Study Project remained a key project to address capacity constraints in the BANKSETA. The project intends to increase the footprint of BANKSETA across the country. In return this will provide capacity to undertake on-site monitoring of projects as well as promote accessibility of BANKSETA services at a local level. We continued to provide other compensating measures such as sourcing an external provider to augment our current capacity. The Accounting Authority continued to support our request to address the capacity constraints of the SETA.

NEW OR PROPOSED KEY ACTIVITIES

We continued to implement key programmes as indicated in our Annual Performance Plan as well as the DHET Service Level Agreement. Over and above this we remained cognizant of the country's increasing rates of unemployment and poverty. We thus responded to the Government's economic recovery plans by rallying behind the Economic Reconstruction and Recovery Plan (ERRP) and the Presidential Youth Employment Initiative (PYEI). We provided dedicated funding for workplace-based programmes such as learnerships and internships.

We continued to roll out a few technology projects to support our core business processes. These included the Management Information System to support our discretionary grants processes, a Records Management system and a Digital Signature system. We look forward to concluding these projects in the coming year.

REQUEST FOR RETENTION OF SURPLUS FUNDS

In 2023/24 BANKSETA obtained the necessary approvals from the National Treasury to retain its 2022/23 surplus funds which were mainly committed to existing projects whose implementation was not completed by year end.

92% of the R903 million surplus was already committed to various skills development contracts from our employers and other stakeholders. Some of the committed funds were expensed during the course of 2023/24 with the remaining funds to be expensed in the future due to the long-term nature of some of the skills development projects.

SUPPLY CHAIN MANAGEMENT/ DISCRETIONARY GRANT DISBURSEMENTS

BANKSETA continued to maintain an adequate system of internal control that saw a year-on-year improvement in performance in the SCM area. The Accounting Authority of the BANKSETA continued to provide guidance on maintaining appropriate and adequate internal controls which ensured compliance with all applicable SCM legislation. As a result of these control BANKSETA did not incur any irregular expenditure for the period under review.

BANKSETA did not approve any unsolicited bid proposals and all single or sole source procurement was approved by the Chief Executive Officer and duly reported to the National Treasury and Auditor General South Africa in line with regulations.

BANKSETA suffered a loss of R21 000 relating to theft of laptops at its premises as well as instances of fruitless and wasteful expenditure arising from misuse of discretionary grants paid for the training of learners. These include:

- R1 125 000 paid where learners were not employees of the stakeholder
- 183 laptops worth R457 000 meant for learners were not accounted for
- Incomplete training worth R292 000 not delivered to learners

All of the above cases are undergoing assessment and where required criminal cases have been lodged with the relevant authorities.

AUDIT REPORT MATTERS IN THE PREVIOUS YEARS AND ACTION PLANS

Following a regression in our audit outcome for 2022-23 where BANKSETA obtained a qualified audit opinion in regards to discretionary grant expenditure and project accruals, action plans were put in place to address internal control shortcomings identified by the Auditor-General of South Africa (AGSA). These included improved controls for the processing of performance information and discretionary expenditure timeously thus allowing recognition of expenditure in the correct period.

Our audit for the current year improved to an unqualified audit report. In the main audit areas covered by AGSA, BANKSETA saw an improvement in the Financial Statement and Annual Performance Report areas and we maintained an acceptable outcome in the area of compliance with legislation.

AGSA increased the scope of their audit of the Annual Performance Report to include two programmes namely Programmes 2 and 3. In both these areas BANKSETA obtained an unqualified audit representing an improvement from the previous year.

The BANKSETA will continue to implement adequate controls and measures to ensure we continue to improve our audit outcomes.

FUTURE OUTLOOK

BANKSETA continues to maintain a strong pipeline of project commitments against the current reserves to improve spending on our discretionary grants. However, in the current year we also had to cancel a number of non-performing project contracts dating back to previous years much to the dissatisfaction of some of our stakeholders. These cancellations or write-backs meant that our commitments were lower than we desired. We plan to approach this problem differently in the future through a process of redirecting (rather than writing back) funds to projects that have a capacity to absorb additional funding.

We will continue to streamline our grant processes including through the use of technology to reduce the time it takes to finalise applications. This we believe allows our stakeholders to devote more time towards getting the projects implemented and consequently improve the flow of the discretionary grant.

BANKSETA continued to implement partnership projects with other entities of Government and anecdotal evidence indicates that these projects are yielding benefits to the targeted beneficiaries. We are set to continue these partnerships into the foreseeable future. We are looking at further partnerships at District Municipality level to realise and support the Government's District Development Model.

ECONOMIC VIABILITY

The BANKSETA's financial statements were prepared on a going concern basis. BANKSETA is licenced to continue its operations until 2030 and the banking sector continues to perform well. While the sector comprises of over 7 000 employers, it is important to note that 90% of the entity's skills levy income is derived from the top 30 banks. BANKSETA's history is that levy income has consistently increased by rates higher than CPI. The trends over the past 5 years are that the banking industry is resilient and performs well even when other sectors do not perform well. Management's assessment indicates that BANKSETA will continue to operate well into the future.

ACKNOWLEDGEMENT AND APPRECIATION

I wish to extend my sincere gratitude to the Department of Higher Education and Training, the National Treasury and the Auditor-General of South Africa for their continued support and guidance in the performance we are reporting.

I appreciate the stewardship of the Chairperson and members of the Board in guiding the entity through a difficult implementation period and for devoting time and energy to the business of the BANKSETA. Our sector partners and other stakeholders also played a key role in enabling the BANKSETA performance recorded in this report.

Finally, my recognition and appreciation to the BANKSETA staff who worked tirelessly for us to meet the organisational performance recorded in this report. Their commitment and dedication to the mission and vision of the BANKSETA remains a valuable asset.



Mr Eubert Mashabane
Chief Executive Officer

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All the information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa. The annual report is complete, accurate and free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.

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

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

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully

Yours faithfully



Mr Eubert Mashabane
Chief Executive Officer



Ms Nosipho 'Mia' Makhanya
Chairperson of the Board

STRATEGIC OVERVIEW



Vision

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



Mission

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



Our Corporate Values

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

Legislative and Other Mandates

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

Constitutional Mandate

The BANKSETA's mandate is informed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The sections that guide the operations of the BANKSETA include the following:

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

Legislative Mandates

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

- Skills Development Levies Act, 1999 (Act No. 9 of 1999)
- Regulations published in the Government Gazette, No. 35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters (updated by NT Circular 15 2017 which set aside Regulation 3(12) to send uncommitted surpluses to NSF) and Policy Mandates
- National Qualifications Framework Act, 2008 (Act No. 67 of 2008)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)

The BANKSETA aligns its skills development activities to the National Skills Development Plan (NSDP) goals, the Strategic Integrated Projects, the National Development Plan, Government's 9-point plan and the State of the Nation Address. Sectoral Strategies are also important to skills planning. The Financial Inclusion Strategy, Regulation and the Financial Services Code, are also important strategies impacting skills planning for the banking sector. The main drivers of transformation in the financial sector have been the Financial Sector Code (FSC) and the Broad-Based Black Economic Empowerment Act (B-BBEE). The National Skills Development Strategy has provided the framework for all BANKSETA targeted interventions and is aimed at achieving a skilled and capable workforce that contributes to and shares in the benefits and opportunities of economic expansion and an inclusive growth path.

The Strategy is aimed at increasing access to high quality and relevant education and training and skills development opportunities, including workplace learning and experience, to enable effective participation in the economy by all South Africans.



OUR MANDATE

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

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

Our Guiding Principles

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

Strategic Focus Areas

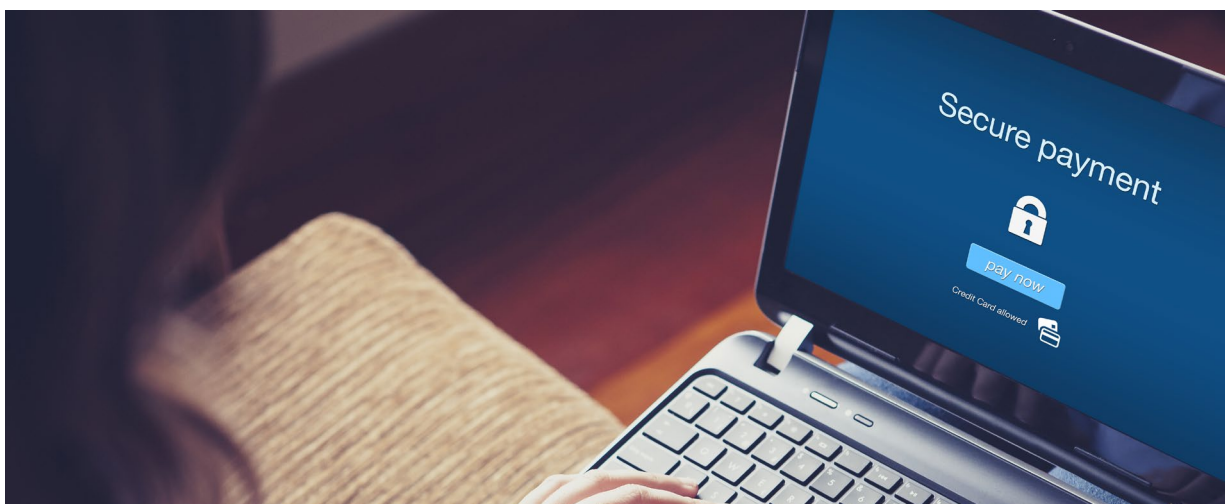
The BANKSETA has identified the following five strategic focus priorities in terms of which relevant projects are implemented:

- Technology, Digitalisation and Innovation;
- Compliance and Risk Management;
- Management and Leadership Development;
- Markets, Products and Services; and
- Customer Centricity.

Institutional Policies and Strategies over the Ten Year Planning Period (2020-2030)

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

- National Development Plan;
- National Skills Development Plan; and
- National Skills Accord.



Sector Skills Plan Focus Areas

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

- Develop a SSP within the framework of the National Skills Development Plan for the BANKSETA;
- Implement the SSP by:
 - approving WSPs;
 - establishing learning programmes;
 - allocating grants in the prescribed manner to employers, education and training providers and employees; and
 - monitoring education and training in the sector.
- Promote workplace-based learning by:
 - identifying workplaces for practical work experience;
 - supporting the development of learning materials;
 - improving the facilitation of learning; and
 - assisting in the conclusion of learning programme agreements.
- Disburse the skills development levies in the banking and alternative banking sector in terms of the Act and the Skills Development Levies Act;
- Liaise with the National Skills Authority as well as other SETAs;
- Report to the Director-General on the implementation of its sector skills plan and its income and expenditure;
- Liaise with employment services of the Department of Labour and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market;
- Appoint office bearers and staff necessary for the performance of its functions;
- Facilitate the involvement of the relevant government departments in the activities of the Authority to:
 - address the competency requirements for social delivery;
 - address the learning needs of the most vulnerable segments of the sector;
 - promote training SMEs to enable them to qualify for public contracts.
- Perform any other duties imposed by the Act or any other function not specifically mentioned, to fulfil the objectives of the BANKSETA and the Act;
- Notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being:
 - to develop the skills of the South African workforce;
 - to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
 - to encourage employers.

- To use the workplace as an active learning environment;
- To provide employees with opportunities to acquire new skills;
- To provide opportunities for new entrants to the labour market to gain work experience;
- To improve the prospects of persons previously disadvantaged by discrimination and to redress those advantages through training and education; to ensure the quality of education and training in and for the workplace;
- To provide and regulate employment services;
- To provide opportunities for new entrants to the labour market to gain work experience; and to encourage workers to participate in learning programmes and other training programmes;
- To assist:
 - work-seekers to find work;
 - retrenched workers to re-enter the labour market;
 - employers to find qualified employees.
- To forge links with stakeholders and bodies in the banking sector;
- Account for the effective and efficient use of public monies received from levies collected from employers in line with the provisions of the Public Finance Management Act; and
- Report to the Minister through the Director- General of the Department on matters related to the BANKSETA.

Annual Performance Plan (APP) Focus Areas

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

- Administration
- Skills Planning
- Learning Programmes
- Quality Management

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

ORGANISATIONAL STRUCTURE

EXECUTIVE MANAGEMENT



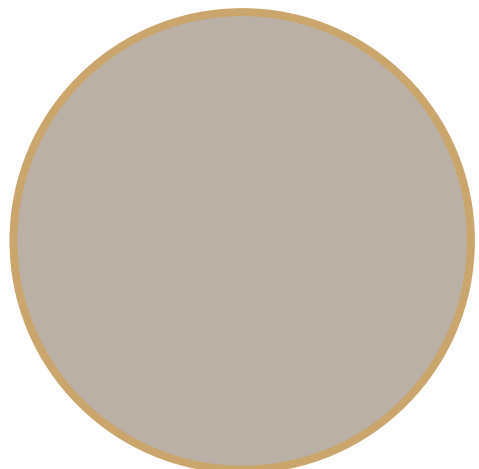
Mr Eubert Mashabane
Chief Executive Officer



Ms Beaula Dziruni
Chief Financial Officer



Ms Christine Jonck
General Manager: Operations



Vacant Title
General Manager: Corporate Services

ORGANISATIONAL STRUCTURE

Departmental Management



Mr Brian Dhlwayo
Project Manager



Dr Tsietsi Raleting
Manager: Information Technology



Ms Elelwani Netshituni
Regional Manager: Limpopo
& Mpumalanga



Mr Marvelous Mokome
Manager: Risk & Compliance



Mr Rapula Sathekge
Manager: Supply Chain
Management



Mr Rashaad Shamsodeen
Head: Internal Audit



Mr Sfiso Dimba
Manager: Youth Development



Mr Shaun Starr
Manager: Alternative Banking



Mr Similo Dlamini
Manager: Work Integrated
Learning and Bursaries



Mr Vuyani Ntanjana
Head: Research & Strategy



Ms Candice Perumalsami
Company Secretary



Ms Dimpho Phungwayo
Manager: Quality Management



Dr Lefaso Motsoeneng
Manager: Human Resources



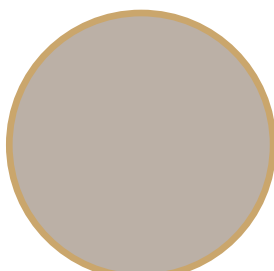
Ms Madeleine Pelzer
Skills Development Manager



Ms Nobuzwe Mangcu
Regional Manager: Eastern
and Western Cape



Ms Tendai Sithole
Manager: Finance



Vacant
Manager: Marketing and Communications



DOWNLOAD SPEED

UPLOAD SPEED

PING 4ms

START

LEARNING
PROGRAMMES

QUALITY
ASSURANCE

DEVELOPMENT

SKILLS
PLANNING

ADMINISTRATION

PART B

PERFORMANCE INFORMATION

Enabling Transformation through Skills Development



OVERVIEW OF THE PUBLIC ENTITY'S PERFORMANCE

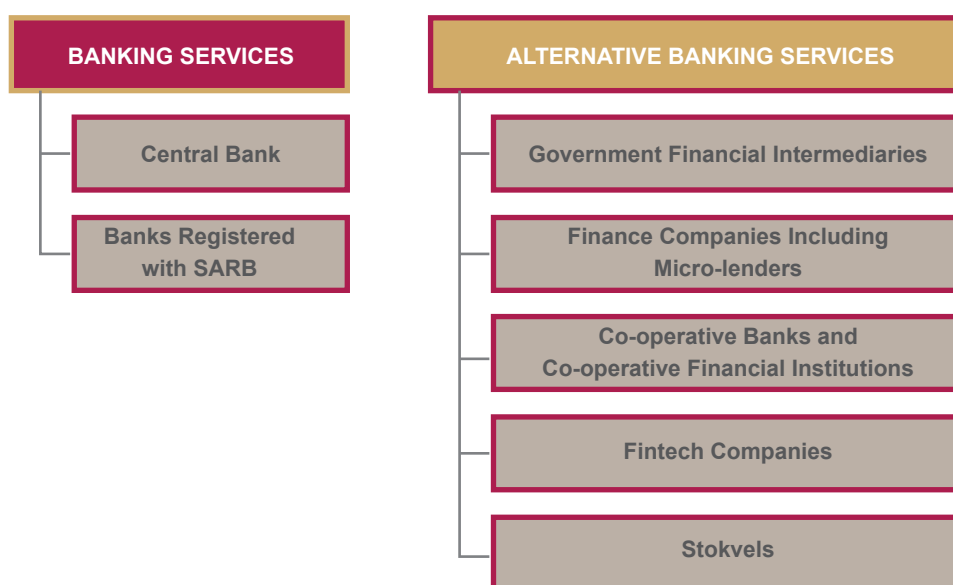
Auditor's Report: Predetermined Objectives

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 97 of the Report for the Auditor-General's Report, published as Part F: Financial Information.

Service Delivery Environment

BANKSETA's service delivery environment consists of a range of stakeholders in the banking and alternative banking industry. The figure below illustrates the different institutions forming part of our service delivery environment:



Organisational Environment

During the year, the following marked the BANKSETA's organisational environment:

- Organisational design study in progress;
- MIS that started in the financial year;
- Review and streamline of processes; and
- Earlier procurement and opening of funding windows.

Key Policy Developments and Legislative Changes

There have not been any major policy or legislative changes that had an impact on service delivery during the period under review.

Progress Towards Achievement of Institutional Impacts and Outcomes

The BANKSETA Strategic Plan for the period 2020 to 2025 has planned for the following ten institutional outcomes over a five-year period:

Outcome	Outcome Indicator	Outcome Indicator Baseline	5-Year Target	Progress Towards the Target
1. An efficient and effective SETA that complies with legislation, policy, and good corporate governance principles	Evaluation reports that reflect the achievement of Strategic Plans	Strategic Plan for 2015/16-2019/2022 Annual Performance Plan for 2019/2022 Annual Report for 2019/2020	Production of BANKSETA's strategic and annual plans, quarterly performance reports and annual performance reports	BANKSETA has produced an annual strategic plan for 2020-2025 which is reviewed annually as well as annual plans, quarterly performance reports and annual performance reports as required
	An audit opinion on financial statements	Clean audit outcome on financial management and unqualified on non-financial management (AOP)	Clean audit outcome	For the 2020/2021 and the 2021/2022-year BANKSETA retained its unqualified audit opinion. In the 2022/2023 financial year a misstatement of discretionary grant accruals led to a qualified audit opinion. The audit outcome for 2023/2024 is unqualified
2. A credible sector skill planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	% of the pay-out rate of mandatory grants	95% pay-out rate of mandatory grants	Approve employer WSP/ATR submissions to ensure 96% pay-out rate of mandatory grants	For the past four years of the five-year strategy BANKSETA maintained a minimum of 95% pay-out rate of mandatory grants. 2020/2021 = 97% 2021/2022 = 97.9% 2022/2023 = 97.7% 2023/2024 = 97.3%
	Number of research reports and working papers put on the knowledge portal	N/A	30	All research reports and working papers are made available on the BANKSETA website. Skills development interventions are in alignment with research findings. At the end of the current year under review, 31 reports and working papers had been produced and published on the BANKSETA's website
	Approved SSP, SP and APP	SP, APP and SSP approved by DHET	Development of BANKSETA SSP, SP and APP that meets the requirements of DHET as well as alignment of skills development programmes to the needs identified in the SPP	BANKSETA's SSP, SP and APP meets the requirements of DHET as well as alignment of skills development programmes to the needs identified in the SPP
3. Linking education to the workplace	Number of learners completing the programme successfully	636	Number of enrolments: 5 300 Number of completions: 3 180 Women: 54% Black: 85% Disabled: 4%	At the end of the fourth year of the 5-year strategy (2023/2024), the number of enrolments totalled 5 973 and completions totalled 4 094. Targets for people with disabilities have not been met
4. Increase access to occupationally directed programmes	Number of MoUs signed with UoTs, TVET and HEI	49	49	At the end of the fourth year of the 5-year strategy BANKSETA has signed 280 MoUs with TVETs, UoTs and HEIs

Outcome	Outcome Indicator	Outcome Indicator Baseline	5-Year Target	Progress Towards the Target
5. Support career development services	Number of career awareness workshops conducted	27	135	Seventeen (17) career awareness workshops were conducted with 519 career development practitioners attending
6. Improving the level of skills in the banking and alternative banking Workforce	Number of workers completing the programme successfully	2 023	10 115 Women: 54% Black: 85% Disabled: 4%	After the end of the fourth year of the 5-year strategy, 10 934 workers completed programmes successfully. Targets for people with disabilities have not been met
7. Skills development support for entrepreneurship and cooperative development	Number of institutions trained	186	930 Women: 54% Black: 85% Disabled: 4%	After the end of the fourth year of the 5-year strategy, 341 institutions were trained. Targets for people with disabilities have not been met
8. Identify and increase the production of occupations in high demand	Number of learners completing the programme successfully	1 116	5 580 Women: 54% Black: 85% Disabled: 4%	After the end of the fourth year of the 5-year strategy, 5 986 learners completed programmes successfully. Targets for people with disabilities have not been met
9. Support For Sector and Government Strategies	Number of beneficiaries supported	N/A	6 152	1 499
10. Occupation based qualifications registered through QCTO are available to the sector	Number of submissions to QCTO for Occupational Qualifications/ Part-Qualifications/Skills Programmes	2	10	Six (6) occupational qualifications have been submitted for registration

The baselines for the outcomes were determined based on the aligned objectives of the 2015-2020 Strategic Plan and the outcomes of the revised Strategic Plan.

MONDAY SUCCESS STORY:

Nontoko Mashiga

In 2013, Nontoko was selected for the Letsema program with only her matric certificate. This incredible opportunity allowed her to obtain her NQF Level 5 in banking and gain valuable workplace experience within the financial sector. She was later placed at Standard Bank in the Vehicle and Asset Finance department, and today, she's thriving as a Business Banking Advisor at FNB while furthering her studies. Talk about motivation!

She shares, "None of this would have been possible without BANKSETA, as I wouldn't have been financially able to further my education on my own."

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Programme 1: Administration

2.1 Purpose of Programme 1:

The administrative function provides leadership, strategic management, and administrative support to all activities of the BANKSETA ensuring effective communication with all stakeholders.

The programme's sub-programmes and their purposes are:

Strategic Management

Purpose

The purpose of the sub-programme is to co-ordinate the development of BANKSETA Strategic and Annual Performance Plans and co-ordinate monitoring of the implementation of plans and report progress on their implementation.

Optimal Human Resource Capacity

Purpose

The purpose of the sub-programme is to recruit, develop and retain the right people, in the right positions and implement an effective performance management system throughout the licensing period of the BANKSETA ensuring the retention of Investors in People Standards recognition.

Communication and Brand Awareness

Purpose

The purpose of the sub-programme is to develop a marketing and communication strategy and plan for engagement, stakeholder liaison and communication with the public to increase brand awareness and ensure increasing levels of stakeholder satisfaction.

ICT Support

Purpose

The purpose of the sub-programme is to enable achievement of the BANKSETA strategic and operational goals through provision of applications, data and technology architecture in a safe and secure environment.

Financial Management Supply Chain and Reporting

Purpose

The purpose of the sub-programme is to promote overall financial efficiency as measured by prudent financial management and compliance with prescripts and policies governing public finance by strengthening financial management practices in the areas of budgeting, expenditure monitoring and reporting.

Organisational Compliance, Internal Audit and Risk Management

Purpose

The purpose of the sub-programme is periodic risk assessment and audits in compliance with laws and regulations to identify potential risks and governance weakness.

Monitoring and Evaluation of Learning Programmes

Purpose

This sub-programme aims to evaluate effectiveness and impact of outcomes of the BANKSETA Strategy, Sector Skills Plan and APP and implement recommendations for improvements.

Tracing and tracking of beneficiaries to measure the effectiveness of skills development interventions (to measure impact and inform decision making regarding skills development interventions) is also done.

ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 1: Administration	1.1 Strategic Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Conduct an annual review of SP and APP	1.1.1 Reviewed SP and APP	An annual review of strategic plans and APP as prescribed by the relevant planning frameworks has been conducted	An annual review of the Strategic Plan and APP as prescribed by the relevant planning frameworks was conducted and the plans submitted to the Board for approval	Review and produce a strategic plan and APP approved by Accounting Authority and submit it to DHET on or before the stipulated date provided by DHET to SETAs	A strategic plan and APP was reviewed and produced and approved by Accounting Authority and submitted to DHET by the stipulated date provided by DHET to SETAs	None	Not applicable	Not applicable
Programme 1: Administration	1.1 Strategic Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Quarterly reports submitted to the Accounting Authority, DHET and National Treasury on or before the set due dates	1.1.2 Number of Quarterly APP Implementation Reports	Quarterly reports were approved by Accounting Authority and submitted to DHET and National Treasury within 30 days from the end of each quarter	Quarterly reports submitted to DHET and National Treasury within 30 days from the end of the quarter	4	4	None	Not applicable	Not applicable
Programme 1: Administration	1.1 Strategic Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Produce Accounting Authority's approval of the Annual Report (AR) and submit to the authorities and Parliament by the final submission date	1.1.3 Accounting Authority approved and Audited Annual Report	The AR was produced and submitted to AGSA for audit and to NT and Parliament by due dates	The Audited Annual Report was produced and approved by the Accounting Authority and submitted to DHET and National Treasury by the due date	Produce Annual Report and submit to the Accounting Authority (AA) and obtain Accounting Authority approval. Submit to National Treasury, AGSA and DHET for tabling in parliament by due dates	Audited Annual Report was produced and approved by the Accounting Authority and submitted to National Treasury, AGSA and DHET for tabling in parliament by due date	None	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 1: Administration	1.1 Strategic Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Quarterly SETA Good Governance report	1.1.4 Quarterly SETA Good Governance report	N/A	N/A	4	4	None	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 1: Administration	1.2 Optimal human resource capacity	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Conducting Survey on employee satisfaction	1.2.1 Employee satisfaction index	4	4 Score achieved	Score of 3.5 / 5	Score of 4 / 5	+ 0.5	BANKSETA strives to maintain employee satisfaction.	Not applicable

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 1: Administration	1.3 Communication and Brand Awareness	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Approval of a marketing and communication strategy by the CEO	1.3.1 Approved Annual Marketing and Communication strategy	A Marketing and Communication Strategy and an annual communication plan was produced and reported on quarterly	Annual Marketing and Communication Strategy was approved by the CEO	Annual Marketing and Communication Strategy approved by the CEO	Annual Marketing and Communication Strategy was approved by the CEO	None	Not applicable	Not applicable
Programme 1: Administration	1.3 Communication and Brand Awareness	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Approval of a marketing and communication plan by the CEO	1.3.2 Approved Annual Marketing and Communication plan	A Marketing and Communication Strategy and an annual communication plan was produced and reported on quarterly	Not applicable	Annual Marketing and Communication plan approved by the CEO	Annual Marketing and Communication plan was approved by the CEO	None	Not applicable	Not applicable
Programme 1: Administration	1.3 Communication and Brand Awareness	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Conducting Stakeholder Satisfaction Survey	1.3.3 Annual Stakeholder satisfaction rating score	4.4	4.1 Score achieved	3.5 / 5	3.91 / 5	+ 0.41	BANKSETA strives to maintain stakeholder satisfaction.	Not applicable
Programme 1: Administration	1.4 Information and Communication Technology Support	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Approval of ICT Strategy	1.4.1 Approved ICT Strategy	Not applicable	The Board approved a three (3) year ICT Strategy and an Annual ICT Implementation Plan	Board Approved ICT strategy	No Board approved ICT Strategy	There is no Board approved ICT Strategy for 2024/25 onwards mainly because the procurement of the external provider to assist with the development of the strategy was not concluded in time.	Not applicable	Not applicable
Programme 1: Administration	1.4 ICT Support	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Submission of quarterly progress reports on the implementation of the ICT Strategy to the ICT Steering Committee, Audit and Risk Committee and Board.	1.4.2 Number of progress reports submitted to the Board on the implementation of the ICT Strategy	N/A	N/A	4	4	None	Not applicable	Not applicable

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Unqualified audit results	1.5.1 An unqualified audit outcome is achieved	Unqualified Audit	Qualified Audit	Unqualified audit outcome achieved	Unqualified audit outcome achieved	None	Not applicable	Not applicable
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Control admin and QCTO expenses within the legislated limit	1.5.2 Admin and QCTO costs controlled to be within 10.5% of levies unless permission received from DHET to exceed	8.4%	8.81%	<10.5%	8.10%	- 2.4	Not applicable	Not applicable
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Processing of mandatory grants	1.5.3 % Mandatory grants claimed compared to total mandatory levies	0.98%	97.70%	97%	97.32%	+ 0.32%	BANKSETA supports employers to submit workplace skills plans so that the mandatory grant can be claimed.	Not applicable
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	SCM implementation in support of the BANKSETA operations	1.5.4 Completion of tenders on the procurement plan	Not applicable	Not applicable	65%	65.30%	+ 0.3%	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Discretionary grant budget allocated at developing high level skills	1.5.5 Percentage of discretionary grant budget allocated at developing high level skills	Not applicable	Not applicable	11%	11%	None	Not applicable	With a change in the budget for some indicators it was necessary to amend the percentage as well. This indicator moved from 13.2%.
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Discretionary grant budget allocated at developing intermediate skills	1.5.6 Percentage of discretionary grant budget allocated at developing intermediate skills	Not applicable	Not applicable	84%	86%	+ 2%	With the available budget a slightly higher percentage could be allocated to intermediate skills.	With a change in the budget for some indicators it was necessary to amend the percentage as well. This indicator moved from 82%.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Discretionary grant budget allocated at developing elementary skills	1.5.7 Percentage of discretionary grant budget allocated at developing elementary skills	Not applicable	Not applicable	3%	3%	None	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 1: Administration	1.6 Organisational Compliance, Internal Audit and Risk Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Prepare the Risk Management Implementation Plan	1.6.1 Approved Risk Management Implementation Plan	The annual risk assessment, risk management implementation plan and quarterly progress reports were submitted.	An annual risk assessment/ review was conducted and a Board approved Risk Management Implementation Plan was produced. An annual risk plan and quarterly progress reports were produced	Produce the Risk Management Implementation plan and report progress quarterly	The Risk Management Implementation plan was produced and progress was reported on quarterly	None	Not applicable	Not applicable
Programme 1: Administration	1.6 Organisational Compliance, Internal Audit and Risk Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Prepared and presented quarterly report progress	1.6.2 Number of quarterly progress reports provided	The annual risk assessment, risk management implementation plan and quarterly progress reports were submitted.	An annual risk assessment/ review was conducted and a Board approved Risk Management Implementation Plan was produced. An annual risk plan and quarterly progress reports were produced	4	4	None	Not applicable	Not applicable
Programme 1: Administration	1.6 Organisational Compliance, Internal Audit and Risk Management	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Prepare Annual Audit Plan and report progress against the plan	1.6.3 Approved Internal Audit annual operational plan by the Audit & Risk Committee (ARC) and progress reports submitted to ARC quarterly	A 3 year rolling strategic internal audit plan was produced and approved by the Audit and Risk Committee on 9 March 2021.	A rolling 3-year strategic internal audit plan was submitted to the Audit and Risk Committee for approval. Three quarterly audit implementation reports were presented to Audit and Risk Committee.	Prepare an Internal Audit annual operational plan by 30 March each year (to be approved by ARC by 30 June each year) and submit progress reports to ARC quarterly	An Internal Audit annual operational plan was prepared and approved by ARC by 30 June and progress reports submitted to ARC quarterly	None	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 1: Administration	1.7 Monitoring and Evaluation of BANKSETA Learning Programmes	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Tracking and Tracer Study for BANKSETA interventions	1.7.1 Report on Tracking and Tracer Study	Report on WBL learners submitted where 14% of beneficiaries were tracked and reported on	Not applicable	Report on Tracking and Tracer Study completed	A report on tracking and tracer study was completed	None	Not applicable	Not applicable
Programme 1: Administration	1.8 BANKSETA offices established and maintained in TVET colleges	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	SETA offices established and maintained in TVET colleges	1.8.1 Number of SETA offices established and maintained in TVET colleges	Not applicable	Not applicable	1	1	None	Not applicable	Not applicable



LINKING PERFORMANCE WITH BUDGETS

	2023/24			2022/23		
Programme/Activity/ Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Admin	134 794	103 263	31 531	114 043	980 830	15 213

2.2 Programme 2: Skills Planning

Purpose of Programme 2:

To ensure that appropriate and relevant research and benchmarking studies are conducted to provide input into the development of a high quality and credible Sector Skills Plan and the Strategic Plan for the banking and alternate banking sector. A Sector Skills Plan is developed for the banking and alternate banking sector that reflects the labour market demands.

The programme consists of the following three sub-programmes:

Submission and approval of Workplace Skills Plans/Annual Training Reports

Purpose	Evaluation and approval of Workplace Skills Plans and Annual Training Reports for mandatory grant claims.
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Research and Benchmarking

Purpose	The development of a research agenda and ensuring that all research including benchmark studies are conducted.
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Annual Sector Skills Plan Developed and Approved by DHET

Purpose	Development, updating and dissemination of the Sector Skills Plan. The budget allocated to this programme will directly impact performance targets through the budget being utilised towards: <ul style="list-style-type: none"> • Optimal human resources to implement programme targets (administration budget); • Implementation/delivery of research agenda (discretionary grant budget); and • The budget for mandatory grants will be directly affected by the performance target of the number of WSP/ATR submissions approved.
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Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Key outputs are:

- The increased participation rates of employers in the WSP process and the payment of mandatory grants according to the mandatory grants claims ratio;
- The Board approved a 3-year rolling research agenda submitted to the DHET by compliance due date, the number of research partners appointed and the production of research deliverables; and
- An Annual SSP, SP and APP approved by the Board and submitted to DHET by compliance due date.

ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 2: Skills Planning	2.1 Submission and approval of Workplace Plans/Annual Training Reports	A credible Sector Skills Planning mechanism that identifies relevant skills priorities to meet the labour market demands for the Banking and Alternative Banking Sector.	Encourage & Simplify the WSP/ATR submissions for Employers in the Banking and Alternative Banking Sector	2.1.1 Number of Workplace Skills Plans / Annual Training Reports approved for large firms, medium firms and small firms	Large: 73 Medium: 40 Small: 302	Large: 73 Medium: 49 Small: 321	416 (Large: 73 Medium: 42 Small: 301)	315 (Large: 70 Medium: 53 Small: 192)	- 101 (Large: - 3 Medium: + 11 Small: - 109)	The Target for Large organisations was not achieved as 3 organisations were reclassified as medium. The target was not achieved for small employers due to BANKSETA requiring small firms to fall within the BANKSETA SIC codes, and if not their WSP was not accepted and they were referred to the correct SETA.	Firms reflected according to size to align to DHET indicators. The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 2: Skills Planning	2.2 Research and Benchmarking	A credible Sector Skills Planning mechanism that identifies relevant skills priorities to meet the labour market demands for the Banking and Alternative Banking Sector.	Development of 3 year rolling research agenda	2.2.1 Board Approved 3 year rolling research agenda submitted to DHET by compliance due date	Board Approved 3-year rolling research agenda submitted to DHET by compliance due date	Board Approved 3 year rolling research agenda was submitted to DHET by compliance due date	Submit Board-approved three-year rolling research agenda to DHET by compliance due date	Board Approved 3 year rolling research agenda was submitted to DHET by compliance due date	None	Not applicable	Not applicable
Programme 2: Skills Planning	2.2 Research and Benchmarking	A credible Sector Skills Planning mechanism that identifies relevant skills priorities to meet the labour market demands for the Banking and Alternative Banking Sector.	Production of research deliverables	2.2.2 Number of research reports completed and publications placed on the website	7	6	5	6	+ 1	The BANKSETA and appointed research partners could produce one additional report.	Not applicable
Programme 2: Skills Planning	2.3 Annual Sector Skills Plan developed and approved by DHET	A credible Sector Skills Planning mechanism that identifies relevant skills priorities to meet the labour market demands for the Banking and Alternative Banking Sector.	Develop / Review SSP	2.3.1 Annual SSP approved by Board and submitted to DHET by the compliance due date	The final SSP was approved by Board and submitted to DHET by the compliance due date	The final SSP, approved by Board was submitted to DHET by the compliance due date	Final Board approved SSP for 2024/2025 was submitted by the due date	Final Board approved SSP for 2024/2025 was submitted to DHET by the compliance due date	None	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.

LINKING PERFORMANCE WITH BUDGETS

Programme/ Activity/Objective	2023/24			2022/23		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Mandatory Grants	254 384	257 952	(3 568)	217 228	228 570	(11 342)

2.3 Programme 3: Learning Programmes

PURPOSE OF PROGRAMME 3:

To implement a range of interventions by entering into agreements between SETAs, qualifying employers and skills development service providers to deliver appropriate interventions to support the provision of substantial quality programmes for employed workers, unemployed youth, TVET and University students, Co-Ops, SMEs, resulting in the ability of the beneficiaries to adapt to changes in the labour market and measure and report on the impact of the interventions. All BANKSETA programmes are diverse and cater to different groups such as women, men, youth and people with disabilities.

The programme consists of the following 18 sub-programmes:

Name of the Programme	Purpose of the Programme
3.1 Sector Learnerships	The purpose of this project is to give an opportunity to unemployed learners to undergo a work-based learning programme.
3.2 PIVOTAL Grant Funding Window: Unemployed (Includes employer driven Learnerships, Internships, Part-time Qualifications)	The purpose of this programme is to give an opportunity to unemployed beneficiaries to meet the demand of the banking and alternative banking sector.
3.3 Skills Development Initiatives for Grade 12 Learners	The purpose of this programme is to assist grade 12 learners to improve pass results in Math and Science subjects prepare for matric re-writes and/or a digital literacy programme.
3.4 Online Short Courses Funding Window	The purpose of this project is to fund employers for the online training programmes of their staff.
3.5 TVET Work Integrated Learning Funding Window	The purpose of this programme is to assist TVET College learners to access work-integrated learning (WIL) opportunities through collaborations with Technical Vocational Education and Training Institutions (TVETs) as per the annual targets.
3.6 Universities of Technology Work Integrated Funding Window	The purpose of this programme is to fund demand-driven skills development through collaborations with the universities of technology and to register learners to access work-integrated learning (WIL) opportunities as per the annual targets.
3.7 Higher Education Funding Window	The purpose of this programme is to fund demand-driven skills through collaborations with universities and universities of technology, with a focus on awarding bursaries in scarce and critical skills areas.
3.8 Career Development Services	The purpose of this programme is to train delegates on career development.
3.9 Leadership Development Programme	The purpose of the programme is to develop and empower employees with complex leadership capabilities targeting employees with a potential to occupy leadership positions in the banking and alternative banking sector.
3.10 PIVOTAL Grant Funding Window	The purpose of this programme is to develop employees in the banking and alternative banking sector through PIVOTAL programmes.
3.11 Reskill, Upskill and/or Out-Skill Funding Window for Employees	The purpose of this programme is to reskill, upskill and/or out-skill employees in the banking and alternative banking sector whose occupations are impacted by changes.
3.12 IT Skills Funding Window for Employees	The purpose of this programme is to provide funding to employees for demand-driven IT Skills Development in the banking and alternative banking sector.
3.13 SME and CFI Funding Window	The purpose of this programme is to support small enterprises and Cooperative Financial Institutions who are registered with the BANKSETA through funding scarce and critical skills to sustain and grow these institutions.

Name of the Programme	Purpose of the Programme
3.14 Entrepreneurship Programme	The purpose of this project is to equip SMEs businesses to have the necessary business skills to sustain their businesses and/or supporting new businesses by registering learners on various skills programmes with the purpose of growing SME businesses.
3.15 Rural Development Project	The purpose of the programme is to provide skills support to participants in rural development areas.
3.16 Executive Development Programme: Development Finance	The purpose of this programme is to provide training to participants on a management development programme targeting participants with the potential to occupy executive management positions in the banking and alternative banking sector.
3.17 Doctoral and Post-Doctoral Bursaries	The purpose of this programme is to provide funding for employed and unemployed learners to pursue their Doctoral and Post-Doctoral Studies.
3.18 Strategic Projects	The purpose of this programme is to support National Strategies and Plans.

Programme 3 Contributes Towards the Following Institutional Outcomes:

- Linking education and the workplace;
- Identify and increase the production of occupations in high demand;
- Support career development services;
- Improving the level of skills in the South African workforce; and
- Skills development support for entrepreneurship and cooperative development.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

BANKSETA's programmes for unemployed youth links education and the workplace and provides unemployed youth not only with a qualification relevant to the banking and alternative banking sector but also with work experience to enable them to find employment post completion. To identify and increase skills for occupations in high demand, BANKSETA awarded more than 900 bursaries to unemployed youth to study at public universities. The successful implementation of the entrepreneurship project supported skills development for entrepreneurship and cooperative development and saw 624 delegates trained and mentored. BANKSETA placed more than 1650 TVET and University of Technology learners in workplaces to complete work integrated learning.

Women, youth and persons with disabilities are prioritised for learning programmes. Here the targets set for women and youth were achieved; however the SETA will have to do more work to achieve the target set for persons with disabilities.



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Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3.1 Sector Learnerships	Linking education and the workplace	Registered unemployed learners in the work-based learning programme	3.1.1 Number of unemployed learners enrolled learnership programmes	483	235	500	500	None	Not applicable	Not applicable
Programme 3: Learning Programmes		Linking education and the workplace	Successful implementation of the work-based learning programme	3.1.2 Number of unemployed learners completing learnership programmes	0	345	210	196	- 14	14 learners have been declared not yet competent in several modules, despite being afforded the opportunity for re-assessment.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes	3.2 PIVOTAL Grant Funding Window: Unemployed	Identify and increase the production of occupations in high demand	Registered unemployed learners in the work-based learning programme	3.2.1 Number of unemployed learners enrolled: Learnerships internships skills programmes	1 021	4 708	1 990 of which 1 416 were learnerships, 520 were internships and 54 skills programmes	2 577 of which 1 348 Learnerships 552 Internships 677 Skills Programmes	+ 587 of which - 68 Learnerships + 32 Internships + 623 Skills Programmes	Sufficient Learnerships were approved for funding in the 2023/2024 year, however some of these learnerships were not implemented by the respective employers and therefore the target for learnerships was not reached. The target for skills programmes was exceeded because BANKSETA implemented a skills programme for learners living with disabilities.	This indicator was amended to increase the targets for the categories of learning programmes: Increase from 916 to 1 416 for Learnerships Increase from 220 to 520 for Internships Increase from 50 to 54 for Skills Programmes.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes		Identify and increase the production of occupations in high demand	Successful implementation of the work-based learning programme	3.2.2 Number of unemployed learners completed: Learnerships internships skills programmes	229	612	2 041 of which 706 were learnerships, 755 internships and 580 skills programmes	2 107 of which 491 were learnerships, 406 internships and 1 210 skills programmes	+ 66 of which - 215 Learnerships - 349 Internships + 630 Skills Programmes	The implementation of learnerships and internships by employers started late, as a result most of the completions will be reported in the first and second quarter of 2024/25. Completions in skills programmes exceeded the planned target because of two additional programmes that completed one being for learners living with disabilities and another focusing on ICT skills.	This indicator was amended to increase the targets for the categories of learning programmes: Increase from 706 to 755 for Internships Increase from 200 to 580 for Skills Programmes.
Programme 3: Learning Programmes	3.3 Skills Development Initiatives for Grade 12 Learners	Support career development services	Recruitment of learners for enrolment	3.3.1 Number of learners enrolled in the programme	Not applicable	Not applicable	1 000	1 274	+ 274	The available budget allowed for more learners to be funded after the funding window evaluations had been concluded.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes		Support career development services	Feasible learner programme implementation	3.3.2 Number of learners Completing the programme	Not applicable	Not applicable	700	2 427	+ 1 727	More learners than anticipated completed in the categories Math and Science Support as well as IT Skills.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3.4 Online Short Courses Funding Window	Improving the level of skills in the South African Workforce	Selection of employees for the programme	3.4.1 Number of employees entering the programme	Not applicable	Not applicable	2 020	1 237	- 783	The late evaluation and approval of the 2023 funding windows impacted on the receipt of the learner evidence for the Online Short Courses Funding Window. Not enough applications were approved in the first round of applications. A second funding opportunity was opened for stakeholders to apply, and not all learners could start before the end of the financial year.	Not applicable
Programme 3: Learning Programmes		Improving the level of skills in the South African Workforce	Successful completion of the programme	3.4.2 Number of employees completing the programme successfully	Not applicable	Not applicable	1 212	145	- 1 067	The late start of the programme impacts directly on the completion target.	Not applicable
Programme 3: Learning Programmes	3.5 TVET Work Integrated Learning Funding Window	Linking education and the workplace	Create partnerships with TVET colleges	3.5.1 Number of TVET partnerships established	24	24	20	21	+ 1	BANKSETA fosters strong relationships with Public TVETs to support learners for WIL. Briefing sessions are held and funding opportunities communicated to TVETs.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes		Linking education and the workplace	Implementation of the WIL programme	3.5.2 Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	1 691	1 207	1 200	1 200	None	Not applicable	This indicator was amended to increase the target from 900 to 1 200.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes		Linking education and the workplace	Completion of the WIL programme	3.5.3 Number of TVET students completed their work integrated learning placements	535	0	700	1 586	+ 886	With the available funding as well as additional funding allocated to this indicator in the previous year, more learners entered WIL and therefore more were completed.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes	3.6 Universities of Technology Work Integrated Funding Window	Linking education and the workplace colleges for capacity building	Create partnerships with UoTs	3.6.1 Number of HEI partnerships established	6	7	5	7	+ 2	BANKSETA fosters strong relationships with Public UoTs to support learners for WIL. Briefing sessions are held and funding opportunities communicated to UoTs.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes		Linking education and the workplace colleges for capacity building	Implementation of the WIL programme	3.6.2 Number of university students requiring work integrated learning to complete their qualifications placed in workplaces	505	337	458	458	None	Not applicable	This indicator was amended to increase the target from 428 to 458.
Programme 3: Learning Programmes		Linking education and the workplace colleges for capacity building	Completion of the WIL programme	3.6.3 Number of university students completed their Work Integrated Learning placements	100	547	200	271	+ 71	More learners than anticipated completed their WIL period.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes	3.7 Higher Education Funding Window	Identify and increase the production of occupations in high demand	Create partnerships with HEIs	3.7.1 Number of HEI partnerships established	55	69	15	32	+ 17	BANKSETA fosters strong relationships with public universities to support learners. Briefing sessions are held and funding opportunities communicated to universities.	Wording aligned to DHET SLA Indicator.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes		Identify and increase the production of occupations in high demand	Funding bursaries for demand driven skills	3.7.2 Number of unemployed learners granted Bursaries (new enrolments and continuing	717	1 845	607 of which: 307 new enrolments 300 continuing	908 of which 607 New enrolments 301 Continuing	+ 301 of which + 300 New enrolments +1 Continuing	With the available funding as well as additional funding allocated to this indicator during the year, more bursaries could be allocated to students.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes		Identify and increase the production of occupations in high demand	Completion of programmes funded through bursaries	3.7.3 Number of unemployed learners granted Bursaries completed their studies	885	796	200	395	+ 195	More learners than anticipated were granted bursaries in previous years and therefore more completed.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes	3.8 Career Development Services	Support career development services	Conducting career awareness	3.8.1 Number of Career Development Events on occupations in high demand: (Urban and Rural)	0	5	20 of which 10 were urban and 10 rural	12 of which 6 were urban and 6 rural	8 of which 4 were urban and 4 rural	The contract with the delivery partner did not make provision for the full number of planned workshop.	Wording aligned to DHET SLA Indicator and separate Rural and Urban areas.
Programme 3: Learning Programmes		Support career development services	Training delegates	3.8.2 Number of Career Development Practitioners trained	0	241	250	278	+ 28	More delegates that planned attended the training and could be accommodated because the workshop was already taking place.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes	3.9 Leadership Development Programme	Improving the level of skills in the South African workforce	Selection of employees for the programme	3.9.1 Number of employees entering the programme	Not applicable	188	100	100	None	Not applicable	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes		Improving the level of skills in the South African workforce	Successful completion of the programme	3.9.2 Number of employees completing the programme successfully	Not applicable	0	80	162	+ 82	This target was exceeded because learners that were due to complete in the previous financial year were only able to complete this year.	Not applicable

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3.10 PIVOTAL Grant Funding Window	Improving the level of skills in the South African workforce	Selection of employees for the programme	3.10.1 Number of workers: enrolled in Learnership programmes, granted Bursaries (new entries), Granted Bursaries (Continuing) and Enrolled skills programmes	1 266	233	4 558 of which: Learnership programmes 2 111 Bursaries (new entries) 1 173 600 Bursaries (continuing) and 674 skills programmes	2 655 of which: 2 015 Learnership programmes 135 bursaries (new entries), 46 bursaries (continuing) 459 Skills Programmes	- 1 903 of which - 96 Learnership programmes - 1 038 bursaries (new entries), - 554 bursaries (continuing) - 215 Skills Programmes	The late evaluation and approval of the 2023 funding windows impacted on the receipt of the learner evidence for Learnerships, Skills Programmes, Bursaries New and Bursaries Continuing. A second funding window had to be opened for the Skills Programmes category as not enough applications were approved in the first round and this also delayed learners starting and performance information being received.	This indicator was amended to increase the target from 1 973 to 2 111 for workers enrolled in Learnerships programmes.
Programme 3: Learning Programmes		Improving the level of skills in the South African workforce	Successful completion of the programme	3.10.2 Number of workers: completed learnerships programmes, granted bursaries completed their studies and completed skills programmes	814	957	1 690 of which: 600 learnerships 500 bursaries 590 skills programmes	1 140 of which: 645 learnerships 272 bursaries 223 skills programmes	- 550 of which: + 45 learnerships - 228 bursaries - 367 skills programmes	The late evaluation and approval of the 2022 and 2023 funding for entered impacted on the completion results.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3. 11 Reskill, Upskill and/or Out-Skill Funding Window for Employees	Improving the level of skills in the South African workforce	Selection of employees to enter the programme in order to be upskilled, reskilled and out-skilled.	3. 11. 1 Number of employees entering the programme	0	368	800	1 290	+ 490	There was a significant increase of the entered numbers for this project due to 3 different batches of applications received, evaluated and approved. Engagement with stakeholders increased this submission. A movement in the sector where a cash loans company became a mutual bank, necessitated reskilling which increased applications.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes		Improving the level of skills in the South African workforce	Successful completion of the programme	3. 11. 2 Number of employees completing the programme successfully	829	319	480	497	+ 17	Slightly more learners than anticipated completed their programmes successfully.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes	3. 12 IT Skills Funding Window for Employees	Improving the level of skills in the South African workforce	Selection of employees for the programme	3. 12. 1 Number of employees entering the programme	476	329	600	720	+ 120	Engagement with stakeholders through Information Sessions assisted with correct applications being submitted that translated into the entered target being exceeded.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes		Improving the level of skills in the South African workforce	Successful completion of the programme	3.12.2 Number of employees completing the programme successfully	352	244	360	149	- 211	The late evaluation and approval of the 2023 funding windows impacted on the receipt of the learner evidence for IT Skills Funding Window. This impacted on the completions.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes	3.13 SME and CFI Support	Skills development support for SME and cooperative development	Recruitment of programme participants	3.13.1 Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	101	107	100	109	+ 9	The target was exceeded as there was sufficient budget to approve the applications received through the funding windows. BANKSETA also has a dedicated department who works closely with small enterprises to support them.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes		Skills development support for SME and cooperative development	Recruitment of programme participants	3.13.2 Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	4	15	30	6	- 24	The target was not achieved as there were insufficient applications from the CFI sector in the funding window.	Wording aligned to DHET SLA Indicator.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3.14 Entrepreneurship Programme	Skills development support for entrepreneurship and cooperative development	Recruitment of programme participants	3.14.1 Number of people trained on entrepreneurship supported to start their business	0	503	500	624	+ 124	There was an oversubscription of applications in the funding window. There was sufficient budget to approve additional beneficiaries.	Wording aligned to DHET SLA Indicator.
				3.14.2 Number of people trained on entrepreneurship completing the programme successfully	0	221	300	1 259	+ 959	Some MoAs were implemented in the previous financial year and the completions of learners who started then, are recorded in the current financial year. More learners than planned started and therefore more completed.	Wording aligned to DHET SLA Indicator.
Programme 3: Learning Programmes	3.15 Rural Development Project	Skills development support for rural areas	Identification of rural development project	3.15.1 Number of Rural Development Projects initiated	22	15	1	1	None	Not applicable	Not applicable
Programme 3: Learning Programmes		Skills development support for rural areas	Implementation of the programme	3.15.2 Number of rural-based participants attending training	1 946	2 016	1 500	2 066	+ 566	Additional beneficiaries attended the programme as the need in rural areas is significant. There was sufficient budget to train the additional beneficiaries as the workshops were already taking place.	Not applicable

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3.16 Executive Development Programme: Development Finance	Improving the level of managerial skills in the South African workforce	Recruitment of programme participants	3.16.1 Number of participants enrolled in the programme	20	20	20	20	None	Not applicable	Not applicable
Programme 3: Learning Programmes		Improving the level of managerial skills in the South African workforce	Implementation of IEDP	3.16.2 Number of participants completing the programme successfully	20	20	18	0	- 18	The appointment of the service provider was concluded in Q4 and because of this delay, no completions could be recorded.	Not applicable
Programme 3: Learning Programmes	3.17 Doctoral and Post-Doctoral Funding Window	Identify and increase production of occupations in high demand	Selection of employed and unemployed learners for the programme	3.17.1 Number of employed and unemployed learners entering the programme	20	42	42	44	+ 2	The increase in entered is a result of a second funding window that was opened because not enough applications were approved in the first round.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.
Programme 3: Learning Programmes		Identify and increase production of occupations in high demand	Successful completion of the programme	3.17.2 Number of employed and unemployed learners completing the programme successfully	1	4	7	8	+ 1	Successful completion is learner driven and the planning of this completion target cannot always be 100% accurate.	The Technical Indicator Descriptors were refined and cosmetic errors corrected.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 3: Learning Programmes	3.18 Strategic Projects	Supporting national strategies and plans	Recruitment of programme participants	3.18.1 Number of participants enrolled in strategic projects	Not applicable	Not applicable	300	591	+ 291	Though BANKSETA's partnership with TETA, more learners could benefit and therefore the target was exceeded.	Not applicable
Programme 3: Learning Programmes		Supporting national strategies and plans	People enrolled in CET Internships	3.18.2 Number of people enrolled in CET Internships	Not applicable	Not applicable	100	0	- 100	CETs did not apply to host interns but rather learners on work integrated learning programmes. Those learners are reported under indicator 3.5.2.	Not applicable
Programme 3: Learning Programmes		Supporting national strategies and plans	CET partnerships established	3.18.3 Number of CET partnerships established	Not applicable	Not applicable	4	5	+ 1	In the 2023/2024 and going forward BANKSETA aims for stronger working relationships with CETs.	Not applicable
Programme 3: Learning Programmes		Supporting national strategies and plans	CET colleges infrastructure development support (equipment/ workshops/ connectivity/ICT)	3.18.4 CET colleges infrastructure development support (equipment/ workshops/ connectivity/ ICT)	Not applicable	Not applicable	100	908	+ 808	BANKSETA supported CET lecturers with workshops in ICT skills. More lecturers could be trained through BANKSETA's partnership with NEMISA.	Not applicable
Programme 3: Learning Programmes		Supporting national strategies and plans	Federations/trade unions supported through the relevant skills training interventions	3.18.5 Number federations/ trade unions supported through the relevant skills training interventions	Not applicable	Not applicable	1	2	+ 1	In the previous year we did not meet this target so BANKSETA improved engagement so that trade unions could be supported through the funding of skills training for members.	Not applicable

LINKING PERFORMANCE WITH BUDGETS

Programme/Activity/ Objective	2023/24			2022/23		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure Restated	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Discretionary Grants	1 200 000	885 195	314 805	840 318	791 861	48 457

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Procurement and the opening and finalisation of discretionary grant funding windows must be concluded earlier in the financial year to allow for timeous implementation. A dedicated intervention is needed for SMEs and CFIs to assist them with skills development needs and this will be implemented in the 2024-2025 year.

2.4 Programme 4: Quality Assurance

Purpose of Programme 4:

To develop relevant occupational based qualifications with support from the QCTO and quality assure training delivery towards legacy qualifications resulting in the certification of learners.

The programme consists of the following two sub-programmes:

Development of Occupational Qualifications/Part-Qualifications/ Skills Programmes

Purpose	BANKSETA works in partnership with the QCTO and sector stakeholders to develop new occupational qualifications and/or align existing qualifications to Occupational Qualifications.
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The Certification of Learners on BANKSETA Qualifications

Purpose	BANKSETA has the delegated authority of the QCTO to accredit sectoral training providers thereby ensuring quality assurance in the facilitation of learning delivery and implementation and the validity of summative assessments conducted, leading to learner certification.
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Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Key outputs are:

- Occupational qualifications for the banking and micro-finance sectors; and
- Quality management of training provision against legacy qualifications to certify learners.

ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022 /23	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
Programme 4: Quality Assurance	4.1 Development of Occupational Qualifications/ Part-Qualifications/ Skills Programmes for the banking and alternative banking sector	Occupational qualifications/ Part-Qualifications/ Skills Programmes for the banking and alternative banking sector	Identification and registration of Occupational Qualifications/ Skills Programmes	4.1.1 Number of submissions to QCTO for Occupational Qualifications/ Part-Qualifications/ Skills Programmes	3	2	2	3	+ 1	BANKSETA tries to submit as many Occupational Qualifications/ Part-Qualifications/ Skills Programmes as possible to ensure that it is available to the Sector.	Not applicable
	4.2 The certification of learners on BANKSETA qualifications	Quality management of training provision against legacy qualifications to certify learners	Processing of learner certifications	4.2.1 Number of learners certified on BANKSETA qualifications.	5 312	6 036	4 000	8 566	+ 4 566	Application for certification is learner and training provider driven. More learners than anticipated were certified against BANKSETA qualifications.	Not applicable
		Quality management of training provision against legacy qualifications to certify learners	Submission of the quarterly report	4.2.2 Timeous and accurate submission of the QCTO Quarterly Report.	4	4	4	4	None	Not applicable	Not applicable

PERFORMANCE INFORMATION: NOTES ON INDICATORS

BANKSETA wishes to draw the readers attention to the indicators reflected in the table above.

Programme	Sub Programme	Outcome	Output	Output Indicator	Comment
Programme 1: Administration	1.5 Financial Management, Supply Chain and Reporting	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Discretionary grant budget allocated at developing elementary skills	1.5.7 Percentage of discretionary grant budget allocated at developing elementary skills	In the APP, the output was omitted for the indicator. It is now included in the APR to ensure the usefulness of the report in respect of performance information. The nature in which the data was collected, processed, and reported in the annual performance report is not negatively impacted.
Programme 2: Skills Planning	2.3 Annual Sector Skills Plan developed and approved by DHET	A credible Sector Skills Planning mechanism that identifies relevant skills priorities to meet the labour market demands for the Banking and Alternative Banking Sector.	Develop / Review SSP	2.3.1 Annual SSP, approved by Board and submitted to DHET by compliance due date	In the APP (MTEF Period) the annual target is reflected as Final Board approved SSP 2024/2025 submitted by the due date and this is the correct annual target.
Programme 3: Learning Programmes	3.3 Skills Development Initiatives for Grade 12 Learners	Support career development services	Recruitment of learners for enrolment	3.3.1 Number of learners enrolled in the programme	This is a new project, implemented in 2023/2024 after two previous projects namely Math and Science Support and Skills for the Future: Scholars were combined. A third category to support learners who previously failed gr 12 was added to the categories of the new project.
Programme 3: Learning Programmes	3.15 Rural Development Project	Skills development support for rural areas	Identification of rural development project	3.15.1 Number of Rural Development Projects initiated	The achievement of 22 in 2021/2022 and 15 in 2022/2023 refers to number of rural areas and not number of rural projects.

LINKING PERFORMANCE WITH BUDGETS

Programme/Activity/ Objective	2023/24			2022/23		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Budget contribution to QCTO	6 224	6 224	-	5 826	5 826	-

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

This programme performed well during the year under review and all indicators were achieved. To maintain the performance level BANKSETA will continue to monitor this area of delivery regularly.

2.5 Revenue Collection

Revenue from Non-Exchange Income

This is mainly skills development levy (SDL) paid by employers within the banking and alternative banking sector. SDL is calculated at 1 percentage of their employee costs in line with legislation. SARS is the collection agent. Employment figures were stable in the sector. The banking sector experienced strong results resulting in their ability to pay bonuses. This impacted SDL favourably. SDL income was 3% higher than budget.

Revenue from Exchange

Transactions Revenue from exchange transaction comprises of is mainly investment income from investment of surplus funds in the short-term money market. Investment revenue was 49% greater than budget due to higher interest rates achieved during the year than forecasted increases in interest rates during the year as The BANKSETA had forecast that rates would be reduced mid way during the year. Tthe South African Reserve Bank did not cut the rates due to inflation risks, increased its rates.The BANKSETA also did not expend all its budgets leading to larger surplus funds than anticipated.

Revenue from Non-Exchange Income

This is mainly skills development levy (SDL) paid by employers within the banking and alternative banking sector calculated as a percentage of their employee costs in line with legislation. SARS is the collection agent. Employment figures were stable in the sector. The banking sector experienced strong results which were higher than expected. This impacted SDL favourably. SDL income was 9% higher than budget.

	2023/24			2022/23		
Sources of Revenue	Budget	Actual Income	Over/ (Under)	Budget	Actual Income	Over/ (Under)
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from non-exchange transactions	1 060 770	1 095 819	35 049	868 914	944 793	75 879
Revenue from exchange transactions	80 120	98 592	18 472	50 756	75 759	25 003
Total	1 140 890	1 194 411	53 521	919 670	1 020 552	100 882

2.6 Capital Investment

The BANKSETA does not have infrastructure projects. All of its offices are leased.

The capital expenditure is for assets held for administrative purposes mainly furniture and equipment, computer equipment and ICT licences.

	2023/24			2022/23		
Infrastructure Projects	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property and equipment	1 420	1 149	271	1 197	343	854
Intangible assets	2 190	2 189	1	2 848	1 966	522
Total	3 610	3 338	272	4 045	2 309	1 376

PERFORMANCE HIGHLIGHTS

Programme 1: Administration

TRACKING AND TRACING AND IMPACT ASSESSMENT STUDIES

During the 2023/2024 financial year, the BANKSETA commissioned a Tracking and Tracer Study to assess the performance of the following BANKSETA Work-Based Learning Programmes funded from 2020-2024:

- Internships
- PhD Bursaries
- Learnership for the unemployed
- TVET Work Integrated Learning (WIL)
- Universities of Technology Work Integrated Learning (WIL)
- Universities Bursaries

The study determined:

- The destinations/transition of learners who had completed learnerships and internships.
- The factors associated with employment/unemployment.
- The intricacies and complexities of the articulation of qualifications into occupations.
- The type of employment secured by BANKSETA-funded learners; and
- The perceptions of employers on the value of learnerships and internships.

The same service provider commissioned for the Tracking and Tracer Study also conducted Impact Assessment Studies on the following BANKSETA programmes funded from 2020-2025:

- ICT Funding Programme
- Reskilling Programme
- Entrepreneurship Programme (SME and CFI Support)
- Rural Areas Focused Training (for both employed and unemployed)
- PIVOTAL for the employed






The Tracking and Tracer studies for the Internship and PhD have been completed and reports are available at www.bankseta.org.za.

Programme 2: Skills Planning

In recent years, there has been a growing acknowledgment of the transformative power embedded in fostering a skilled and diverse workforce within the banking sector.

However, despite the well-intentioned initiatives and policies aimed at skills development, various challenges persist, impeding the sector's ability to fully embrace and benefit from the evolving socio-economic landscape. "Barriers to skills development contribution to the transformation of the banking and alternative banking sector" are timely concerns to be investigated and addressed as the banking sector has been undergoing significant evolution with more stringent regulatory frameworks since the 2008 financial crisis, the disruptive expansion of financial technology and the continuous change of customer behaviour to adapt to. The research project was carried out for 2021 to 2023 on behalf of and in line with BANKSETA's 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 sector.

Transformation was looked at from the socio-economic, political, and technological perspectives as directed by the literature and the views of two groups of participants, namely senior bankers from banking institutions established in South Africa and academics from South African universities. More specifically, this report presents the findings based on qualitative information from primary data (interviews) and secondary sources. The secondary sources of data were collected from annual reports, transformation reports, and announcements from the financial institutions, as well as updates from regulatory authorities such as the Financial Sector Conduct Authority (FSCA) and the Broad-Based Black Economic Empowerment (B-BBEE) Commission. Twenty-seven participants were involved in the study; thus, the findings can be partially generalised because of the small data sample size.

 MARKETING	BANKSETA to improve its marketing to high school learners, increase its community engagements, funding, and scholarship, and provide banking career guidance.
 EDUCATIONAL PROGRAMMES	BANKSETA to increase its programme on banking skills development and diversification of existing bank staff against the threat of 4IR and digital banking.
 CAPACITY BUILDING	BANKSETA to do more in training and equipping graduates with relevant skills to prepare them for the world of work within the banking and financial sectors. The pilot study data indicated what managers felt towards BANKSETA.
 RELATIONSHIP WITH UNIVERSITIES	BANKSETA should rebuild partnerships with higher institutions for training, leveraging their expertise and research outputs to identify banking industry skills gaps.
 INDUSTRY LINKAGE DEVELOPMENT	BANKSETA to fund custom FinTech courses covering machine learning, coding, analysis, robotics and soft skills for broad banking understanding, not just IT.

Programme 3: Learning Programmes

The purpose remains to implement various interventions through agreements among the Sector Education and Training Authority (SETA) qualifying employers, and skills development service providers. These interventions aim to deliver high-quality programmes for employed workers, unemployed youth, Technical and Vocational Education and Training (TVET) and university students, co-ops and Small and Medium-sized Enterprise (SME). The focus is on enabling beneficiaries to adapt to labour market changes and measuring the impact of these interventions. BANKSETA's programmes are diverse, including women, men, youth, and people with disabilities.

Key programmes include the Leadership Development Programme, which has made significant progress in sector transformation; the SME Funding Window, which enhances employee skills to spur growth in the Banking and Alternative Banking sectors; and the Entrepreneurship Programme, aimed at fostering small businesses and job creation for economic growth. Rural Areas Focused Training aligns with the National Development Plan to boost rural economies and reduce poverty. The Executive Development Programme: Development Finance elevates middle management to executive levels, with participants advancing research on financial inclusion and sustainability.

INSTITUTIONAL OUTCOMES

The projects within Alternative Banking contribute to the Financial Inclusion strategy of BANKSETA.

OVERVIEW OF ORGANISATIONAL PERFORMANCE

The organisation provided skills development support for small employers, CFIs, and Development Finance Institutions (DFIs), delivering targeted programmes to meet SME needs. A challenge was accessing rural SMEs, which was addressed through collaboration with local municipal structures. External developments, particularly political changes, could impact future performance, but no significant internal changes were reported. Mitigation measures included the successful implementation of programmes that continued to drive economic growth. There were no major policy or legislative changes, and leadership programmes advanced sector transformation. Resources were adequately allocated, supporting output achievement, and there was no budget underperformance.

BANKSETA's regional offices play a crucial role in extending the organisation's impact by facilitating the implementation of projects aligned with BANKSETA's objectives across diverse regions. This includes ensuring effective project execution and stakeholder satisfaction through tailored, region-specific initiatives.

During the 2023-2024 period, BANKSETA's regional offices made significant strides in skills development through Skills Development Initiatives for Grade 12 learners. This programme supported learners in Math and Science, through matric rewriting assistance or through a digital skills course. The project, focusing on rural areas, greatly improved Grade 12 learners' performance in Math and Science, resulting in higher graduation rates and increased Science, Technology, Engineering, and Mathematics (STEM) enrolment. Notably, participants from Mthatha in the Eastern Cape advanced to study computer science at Nelson Mandela University.

The programme focusing on IT skills, provided Grade 12 learners with tablets and coding workshops. This initiative motivated many to pursue IT careers, with several now enrolled in university computer science programmes. In regions such as Limpopo, this project addressed the local demand for skilled graduates in the banking and mining sectors.

BANKSETA's regional offices successfully partnered with public institutions ensuring programmes were well-funded and tailored to local needs. This year's exclusive partnership with public institutions underscores BANKSETA's commitment to maximizing impact. Overall, these initiatives improved pass rates, provided essential resources, and inspired higher education and career aspirations among rural learners, transforming educational outcomes and employability.

The success of BANKSETA's regional operations can be attributed to both internal and external factors. Internally, targeted educational programmes and IT skills initiatives have bolstered academic performance and career pathways for learners. Externally, effective partnerships and workforce absorption strategies have ensured programme relevance and sustainability, meeting sector demands.

BANKSETA's regional offices face several key external and internal factors. Externally, funding constraints limit project implementation, especially for crucial Work-Integrated Learning (WIL) projects, while a strategic shift to partnerships with public institutions requires careful management but enhances programme quality. Additionally, bursary funding for rural learners is often restricted to one year, creating pressure to excel academically. Internally, enhanced relationships with universities and provincial bodies facilitate bursaries and improve programme delivery. Active participation in key committees fosters trust and collaboration and improved regional engagement boosts communication and support efficiency. In summary, despite challenges with funding and strategic changes, the regional offices effectively deliver programmes through strengthened relationships and active roles.

CHALLENGES IMPACTING PLANNING

In fiscal year 2023-24, BANKSETA's regional teams faced challenges including capacity constraints in remote areas, network limitations, and socioeconomic barriers. The Eastern Cape and Western Cape struggled with extensive travel, while Mpumalanga and Limpopo dealt with logistical issues due to limited airline connections.

Network issues in rural areas led us to use offline solutions and advocate for better infrastructure.

We also strengthened local partnerships to address socioeconomic challenges and supported our teams through the recent organisational restructuring. Despite these obstacles, our teams have shown resilience, implementing effective solutions to ensure continued programme delivery and reach underserved communities.

SUCCESS FACTORS

BANKSETA's regional programmes have effectively improved educational outcomes and employability by addressing specific regional needs and fostering strategic partnerships. Internal successes include enhanced academic performance and IT skills development, while external successes encompass workforce integration and robust programme delivery through public institution collaborations.

Looking ahead, BANKSETA remains committed to overcoming challenges and optimising regional operations to better serve underserved communities. The organisation's strategic focus on integrated programmes and strengthened regional capabilities underscores its dedication to fostering academic and vocational development across diverse regions.



SUCCESS STORIES: BANKSETA TRANSFORMING LIVES

EMPOWERING PEOPLE WITH DISABILITIES: BANKSETA'S ADVANCED INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SKILLS PROGRAMME



In an era marked by rapid technological advancements and digital transformation, acquiring advanced ICT skills has become more than just a necessity; it's a pathway to empowerment and inclusion. Recognising the importance of fostering digital literacy and creating opportunities for marginalised communities, the Banking Sector Education and Training Authority (BANKSETA) has launched a groundbreaking initiative aimed at equipping youth with disabilities with the essential skills needed to thrive in the digital age.

The BANKSETA's Advanced ICT Skills Programme stands out for its commitment to inclusivity. This programme has provided training opportunities for 350 youth representing a diverse spectrum of disabilities, ranging from physical to neurological impairments, across provinces such as Gauteng, Limpopo, Free State, KwaZulu-Natal, Eastern Cape and Mpumalanga. By creating an inclusive learning environment, BANKSETA and its skills development partner Village Technologies ensured that all aspiring learners, regardless of their disabilities, were provided with quality education and a unique opportunity to embark on a transformative journey towards ICT proficiency.

The programme is designed to equip participants with essential skills for the Fourth Industrial Revolution (4IR), focusing on areas such as programming and cybersecurity. In today's digital age, these skills are in high demand, opening doors to diverse career opportunities. The comprehensive training modules were designed to cultivate proficiency in areas critical to the evolving world of work.

In addition to technical skills, the programme also provided participants with essential exit skills programmes, including work-readiness and entrepreneurship training. Recognising the challenges faced by youth in accessing employment opportunities, the programme also aimed to equip participants with the skills and mindset needed to thrive in the workforce. Moreover, by fostering an entrepreneurial spirit, encouraging participants to explore alternative pathways to success in a landscape where traditional job opportunities are limited.

One of the key highlights of this programme was the provision of laptops to all learners for the duration of the programme. This not only ensured that participants had access to the necessary tools and resources but also fostered independence and autonomy in their learning journey towards ICT proficiency. Furthermore, participants who successfully completed the programme were gifted with laptops, enabling them to continue honing their skills beyond the programme and to support their career pursuits, nurturing a sense of ownership and empowerment.

The programmes' commitment to gender equity is commendable. With 55% of the recruited youth being black female youths, BANKSETA is playing a pivotal role in promoting diversity and inclusion within the ICT sector. By empowering women and addressing gender disparities, the programme is not only transforming individual lives but also contributing to the broader goal of creating a more equitable society. By actively recruiting individuals from underrepresented groups, BANKSETA is paving the way for greater diversity and representation in the world of work, creating opportunities for marginalised communities to thrive.

The programmes' success is further demonstrated by the impressive completion rates and attendance averages across provinces. Limpopo and Free State emerged as the best-performing provinces, achieving attendance averages of 85.61% and 75%, respectively. This remarkable achievement underscores the effectiveness of the programme in engaging and retaining participants, regardless of geographical location or background.

BANKSETA's Advanced ICT Skills Programme exemplifies how targeted interventions can empower youth with disabilities to thrive in the digital age. By providing inclusive learning opportunities, focusing on 4IR skills, and promoting diversity in recruitment, BANKSETA equips participants with valuable skills and fosters a more inclusive and equitable society. Recognising and harnessing the talents and potential of all individuals, regardless of their abilities, is essential. Initiatives like BANKSETA's Advanced ICT Skills Programme pave the way for a future where everyone has the opportunity to succeed in the digital age. BANKSETA is indeed changing lives.

The prestigious certification ceremonies were hosted in Polokwane, Limpopo, and Sasolburg, Free State, on February 23 and 27 February 2024, respectively. BANKSETA's CEO, Mr. Eubert Mashabane, and Board Chairperson, Ms. Nosipho Mia Makhanya, graced the occasions. Their presence not only honoured the accomplishments of the participants but also underscored the importance of such initiatives in driving inclusive growth and development.

Looking ahead, BANKSETA remains committed to expanding and sustaining programmes like the Advanced ICT Skills Programme. As Mr. Mashabane affirmed, these initiatives are aligned with the objectives of the National Skills Development Strategy III, emphasising the importance of upskilling and reskilling youth, particularly those with disabilities and in rural areas. Ms. Makhanya further underscored BANKSETA's pledge to provide ongoing support to programme graduates, ensuring they gain meaningful employment or access to further educational opportunities within the banking sector and beyond. The ultimate goal for BANKSETA is to bridge the gap between skills development and employment, ensuring that all participants emerge as empowered contributors to society.

HOW BANKSETA SHAPED TIYISELANI HLONGWANE'S FUTURE FOR THE BETTER



Once upon a time, a determined young woman embarked on a journey that would redefine her future. Her name is Tiyiselani Hlongwane, and her story begins in 2016 at Ekurhuleni Technical and Vocational Education and Training (TVET) College, where she pursued a diploma in Management Assistance. This foundational education set the stage for an exciting career path in the banking industry.

In 2019, she seized a remarkable opportunity to undertake an 18-month in-service training programme with BANKSETA. This experience was not just a step towards earning her diploma but also a gateway to a new world. BANKSETA quickly became more than just a workplace; it was like a second family. The friendly and supportive staff made her feel welcome and valued from day one.

Her first introduction to BANKSETA was through exhibitions held at her college, combined with social

media buzz and recommendations from friends and family. These early connections paved the way for her to discover a career path she hadn't initially envisioned.

The internship proved to be a crucial turning point. It illuminated her career trajectory and opened doors to the banking industry, a field she had never anticipated joining. Her hard work and dedication during the internship led to a permanent role as a Data Administrator, marking a significant achievement in her career journey.

Reflecting on her time at BANKSETA, she describes it as a deeply positive and educational experience. The exposure to various departments and the unwavering support from colleagues were instrumental in her development. It was a place where she learned and grew, embracing every opportunity that came her way.

She is confident that BANKSETA is fulfilling its mission of helping unemployed youth gain valuable skills and employment. However, she sees opportunities for improvement. She suggests that BANKSETA could enhance its impact by creating more permanent jobs and extending its outreach to rural areas. Many young people in these communities are unaware of the opportunities BANKSETA offers. Increased awareness through exhibitions in schools and rural areas could make a significant difference.

Looking to the future, she is committed to further developing her skills and embracing new challenges. Her goal is to continue growing in her current field, ultimately stepping into a leadership role where she can mentor and guide others in the industry. Her current story, from her studies at Ekurhuleni TVET College to her role as a Data Administrator at BANKSETA, is a testament to the power of perseverance and the impact of seizing opportunities.

BANKSETA AND UNIVEN BRIDGE ACADEMIC GAP AT PHASWANE SECONDARY SCHOOL



Phaswane Secondary School has always been committed to excellence and quality education. However, we recognised a significant challenge: improving the end-of-year results for our Grade 12 learners. This year, with the support of the Skills for the Future Project Team (SFFP) from the University of Venda, we embarked on a transformative journey.

The SFFP provided essential assistance in Mathematics, Science, and Accounting for our Grade 12 students, with the aim of unlocking academic greatness and mastering these subjects. The community engagement programme introduced flexible teaching methods led by subject experts, who instilled a passion for education, deep understanding and ambition in our learners. This approach resulted in consistent positive performance, achievement, and attitude among the students.

The impact of this programme was evident in the 2023 Preparatory results, where Phaswane Secondary achieved an impressive 96.98% pass rate. Out of sixty-four learners, only two did not pass—a remarkable accomplishment, marking the highest success rate in twenty years.

While it would have been ideal for UNIVEN to support all Grade 12 learners, including those in the History and Agriculture streams, the need for educational intervention in Limpopo secondary schools is clear. UNIVEN's commitment to addressing underperformance and improving subject proficiency has been invaluable.

Beyond academic lessons, each learner received a laptop and Data Science training, equipping them with the skills necessary to navigate modern South Africa's challenges of unemployment and poverty.

Our learners are set to graduate with a National Senior Certificate (NQF level 4) and a Data Science Certificate (NQF level 5), providing them with the knowledge and skills to thrive in a globalised and technologically advanced world. The School Management Team (SMT) also benefited from receiving laptops, enhancing their technological capabilities and sustaining educational success.

The University of Venda's guidance has been instrumental in motivating and redirecting the Grade 12 Class of 2023 and the SMT towards achieving outstanding academic results.

We extend our heartfelt gratitude to Professor Netshadama, the Community Engagement Team, and the University of Venda for their unwavering support and dedication to our school's success.

TEBELLO KHANYA: THE GREEN REVOLUTION OF BONOLO SCENTS



It was July 2023 when the entrepreneurial landscape of Sasolburg in the Free State was transformed when BANKSETA—represented by CareerBuild—and Mint Fresh launched an innovative entrepreneurial development programme aimed at green economy pioneers.

One of the selected beneficiaries was Tebello Khanya, a visionary entrepreneur dedicated to sustainability. BANKSETA identified Tebello as the suitable beneficiary for the six-month programme because her company, Bonolo Scents, needed to be primarily capacitated with financial management and bookkeeping skills.

As a result, Tebello was upskilled with financial management, bookkeeping and customer satisfactions, among others. These are essential skills she needed before her business could launch to new heights.

Bonolo Scents specialises in crafting eco-friendly fabric softeners, a refreshing alternative to the harmful chemicals found in traditional products.

Tebello's journey began with a laundry business where she witnessed firsthand the damage conventional fabric softeners inflicted on washing machines and the environment. Driven by this revelation, she embarked on a mission to create a product that was both gentle on machines and kind to the planet. Thus, Bonolo Scents was born—an eco-conscious solution that avoids the pitfalls of its traditional counterparts.

Embracing the training with enthusiasm and commitment, Tebello applied her newfound knowledge to her business, leading to remarkable growth. Today, Bonolo Scents is thriving, grappling with a delightful dilemma: meeting the soaring demand for her products. In March 2024, her innovative fabric softeners were featured on the Makro Online platform, where they quickly became a bestseller.

The success of Bonolo Scents has attracted the attention of two major retailers interested in launching their own white labelled versions of her eco-friendly fabric softeners. To meet this new challenge, Tebello is now seeking funding to invest in a fully automated machine priced at over R2 million, to scale up production and to continue her green mission.

With a bright future ahead, Bonolo Scents stands as a beacon of sustainable entrepreneurship, proving that with dedication and vision, success can indeed go hand-in-hand with environmental stewardship.

ASHTON WILLIAMS' JOURNEY FROM BEING BANKSETA BURSARY HOLDER TO A SOFTWARE DEVELOPER



Ashton Williams' natural problem-solving skills drew him to development. In high school, he found subjects like mathematics too rigid. His interest in software development began as a child when he attempted to improve a game. Despite initial coding challenges, this experience ignited his passion for technology and software development.

Ashton comes from a supportive and loving family, which has been instrumental in his academic and personal success. His parents and older brother have always encouraged him, whether through attending his school events or providing a strong support system at home. This unwavering support has been the foundation of Ashton's achievements.

Ashton first learned about BANKSETA through the Work Integrated Learning programme, which provided him and other students with stipends. An email from BANKSETA about bursary opportunities caught his attention, and he decided to apply despite not having any external funding. Ashton's approach was simple: the worst outcome would be a rejection, but it was worth the attempt.

The BANKSETA bursary profoundly impacted Ashton's life by covering his R50 000 tuition debt and providing a stipend for essentials. This financial relief reduced his stress, allowing him to focus on his studies and achieve better academic results, including getting more distinctions.

Ashton believes that BANKSETA plays a crucial role in the lives of many students by providing necessary financial support. He feels that the organisation's efforts extend beyond the visible impact, changing countless lives through bursaries and stipends. For Ashton, BANKSETA's support was pivotal in completing his diploma and securing a job as a full-time software developer, allowing him to avoid student debt and focus on his career.

Looking ahead, Ashton aspires to become a senior software developer and possibly an architect in the long term. However, he is mindful of maintaining a balance between work and personal life. In the next five years, he aims to solidify his skills in software development and work towards becoming an intermediate developer. Ultimately, his dream is to work for one of the leading tech companies, such as Facebook, Amazon, Apple, Netflix or Google.

Ashton's advice to other students is straightforward: apply for opportunities like the BANKSETA bursary. He emphasises that the application process is simple and that the potential benefits far outweigh the effort required. He encourages students not to let fear of rejection prevent them from pursuing financial aid opportunities, as these can significantly alleviate the stress associated with funding their education.

Ashton is deeply grateful to BANKSETA for the life-changing support and opportunities it provided. He is committed to promoting BANKSETA to inspire other students. His journey underscores the transformative power of financial support in education and highlights the crucial role of organisations like BANKSETA in fostering student success.

Career Guidance Initiatives

The purpose of our career guidance initiatives is to acquaint young individuals in South Africa with a diverse array of career opportunities within the banking and alternative banking sectors.

Strategic Partnerships

Through strategic partnerships with the Department of Basic Education, we conduct workshops in various schools across districts, targeting Life Orientation (LO) teachers responsible for guiding students in career exploration.

Programme Objectives

We emphasise early intervention to foster a comprehensive understanding of career pathways by equipping teachers with specialised booklets for informed guidance sessions, adhering to a “Teach a teacher to teach a learner” model. Annually, we train approximately 250 teachers nationwide, ensuring equitable representation from both rural and urban areas, guided by municipal demarcation policies.

We engage (LO) teachers and prioritise rural inclusion to broaden students’ awareness of banking sector careers, empowering educators with the necessary tools to guide students effectively. This approach ensures that learners, regardless of geographic location, are exposed to diverse career opportunities early in their educational journey.

Key Outputs

We identify emerging and declining career trends within the banking sector, facilitating informed decision-making for educators and learners through targeted guidance. By highlighting new career opportunities such as bank note processors and ATM technicians, we bridge the gap between traditional banking roles and evolving technical demands.

Conflicting demands between educators’ responsibilities and participation in BANKSETA workshops, along with their reluctance to work during holidays, pose challenges. To address these, we employ strategic planning, flexibility, and redirect training efforts to districts with greater participation potential.

By focusing on engaging rural teachers and learners to address heightened unemployment disadvantages, we successfully met and exceeded our target of training 250 teachers annually, despite no significant external developments impacting the programme.

Efficient spending enabled us to meet expenditure targets while operating under budget, allowing surplus funds to be allocated for future plans, including appointing a new training company for expanded workshops in the next financial year.

Our career guidance initiatives have made significant strides in enhancing career awareness and guidance among South African youth. By equipping educators with comprehensive knowledge and addressing disparities in access to career information, we are fostering a more skilled and knowledgeable workforce in the banking sector.

Programme 4: Quality Assurance

The quality management of training within the BANKSETA aims to deliver consistent, high-quality training across the banking sector. This is achieved through the accreditation of skills development providers, rigorous monitoring, and certification processes for learners, assessors and moderators. The focus is on occupational programmes that align with industry needs, enhancing workforce proficiency and employability.

The programme supports the development of relevant qualifications and ensures that legacy qualifications maintain high standards, contributing to the overall quality and effectiveness of training in the sector. Key services include certifying learners, managing assessor and moderator registrations, developing sector-specific qualifications, accrediting training providers, and conducting external moderation to ensure high standards and continuous improvement.

The previous year, the programme dealt with qualification expirations and tight deadlines for enrolment, compounded by delays in registering new qualifications. We addressed these challenges by streamlining processes and enhancing coordination to speed up registrations and reduce administrative burdens.

Registration Process and Improvements

The registration process involves BANKSETA developing qualifications with stakeholders, submitting them to the Quality Council for Trades and Occupations (QCTO) for evaluation, and then to South African Qualifications Authority (SAQA) for final registration. To address delays, we’ve streamlined qualification conversion and improved coordination with QCTO and SAQA to ensure timely delivery of qualifications.

External developments such as the expiry of historically registered qualifications have created uncertainty and concern among stakeholders. Although training continued until June, the delay in realigning these qualifications added complexity. We prioritised emerging skills like cybersecurity due to industry demand and resource constraints, requiring a balance between maintaining existing qualifications and developing new ones. These challenges have led to adaptive strategies to ensure quality and responsiveness to industry needs.

Internal Developments in Quality Assurance

In the past year, the Quality Assurance department at BANKSETA has seen significant internal developments, including the appointment of a Subject Matter Expert (SME) facilitator to realign outdated qualifications and develop new programmes, addressing sector needs and ensuring industry alignment. Additionally, the migration to a new digital platform has enhanced efficiency in managing learner registrations, certifications, and accreditations, significantly improving our capability to deliver and monitor training quality in the banking sector.

Expiring Qualifications

To manage the impact of expiring qualification, BANKSETA promptly appointed an SME facilitator, engaged stakeholders, and trained providers on the new system.

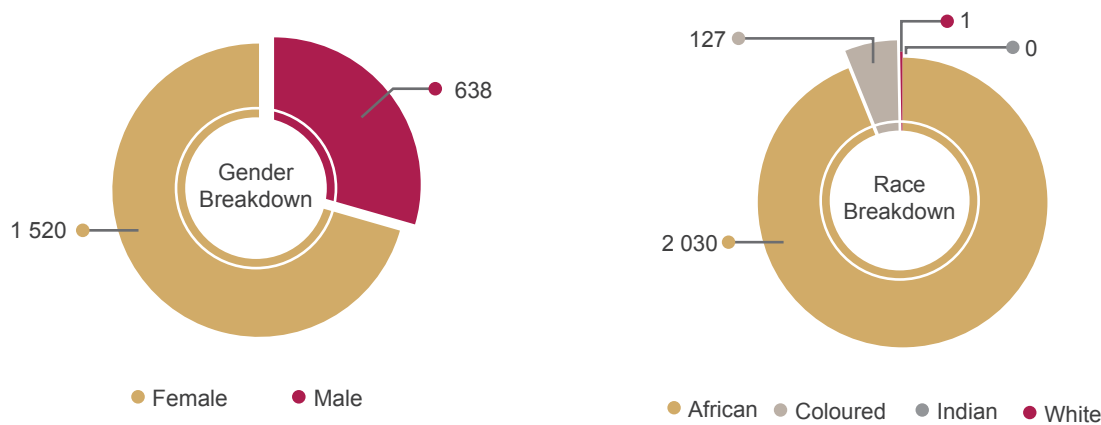
These actions aimed to reduce disruptions and improve quality assurance.

In the previous financial year, BANKSETA's programmes were impacted by changes in sectoral determinations and Occupational Qualifications Sub-Framework (OQSF) policies regarding qualification expirations. We quickly adjusted our training and strategic planning to ensure compliance. Despite the repeal of the SAQA Act not affecting operations directly, we continued adapting to align with governing regulations and maintain training quality standards.

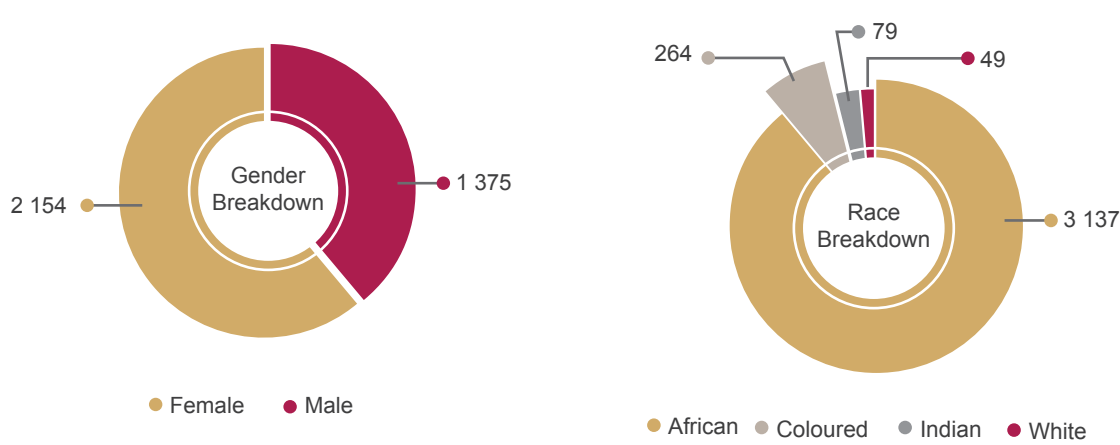


BANKSETA AT A GLANCE

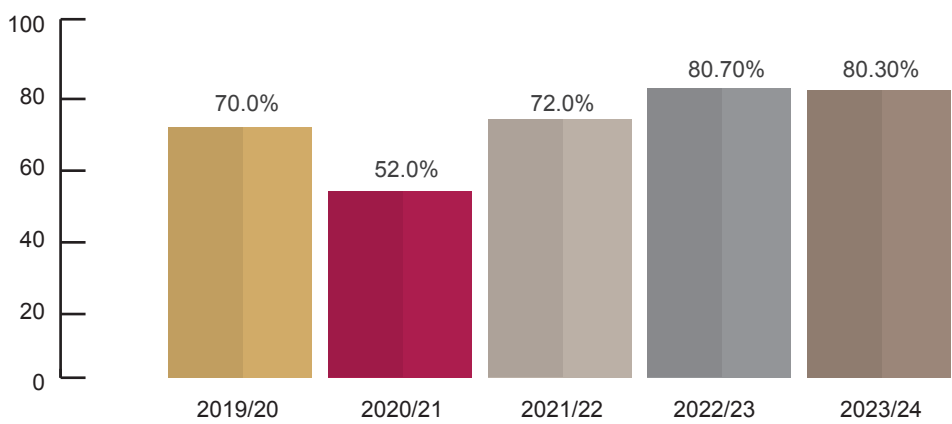
Outcome: Linking Education and the Workplace (Unemployed)



Identify and Increase Occupation in High Demand



Annual Performance Over Past 5 Years







PART C

GOVERNANCE

Enabling Transformation through Skills Development



INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. These corporate governance processes and accountability mechanisms are made possible through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Boards of the public entity are responsible for corporate governance.

Portfolio Committees

Parliament exercises its role by evaluating the performance of the public entity by interrogating their annual financial statements and other relevant documents which have to be tabled as well as any other documents tabled from time to time.

The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor.

The Portfolio Committee exercises oversight over the service delivery performance of a public entity reviews the non-financial information contained in the annual reports of public entity and is concerned with service delivery and enhancing economic growth.

There have been no meetings held between BANKSETA and the Portfolio Committee for this year under review.

Executive Authority

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The PFMA governs/gives authority to the Executive Authority for oversight powers.

The Executive Authority also has the power to appoint and dismiss the Board of a public entity. The Executive Authority must also ensure that the appropriate mix of executive and non-executive directors is appointed and that directors have the necessary skills to guide the public entity.

There have been no engagements with the Executive Authority during the year under review.

THE ACCOUNTING AUTHORITY: THE BOARD

Introduction

The roles and functions of the Board are articulated in the BANKSETA Constitution, which is the basis of the Board Charter.



BOARD MEMBERS



Ms Nosipho 'Mia' Makhanya
Chairperson



Mr Protas Langalakhe Mhlongo
Community



Prof. Mamohau Sekgaphane
Community



Ms Lebogang Shabangu
Organised Labour



Ms Vanessa Hattingh
Organised Labour



Adv Philip Landman
Organised Labour



Ms Leonie van Pletzen
Organised Employer



Mr Phumudzo Siphuma
Organised Employer



Ms Myenthrree Moodley
Organised Employer



Ms Mmathema Matle
Organised Employer

GOVERNANCE STRUCTURE



BOARD CHARTER

The BANKSETA Board Charter defines the strategic mandate of the Accounting Authority and outlines the knowledge, skills and experience required by BANKSETA Accounting Authority members to perform their fiduciary duties, and meet National Skills Development Plan targets, strategic plan objectives, duties, responsibilities and Code of Conduct articulated in the BANKSETA Constitution, risk management priorities, meeting procedures and governance principles. During the 2023/24 financial year, there was no noncompliance with the Board Charter reported.



BOARD COMPOSITION

The Board's term of appointment is from 1 April 2020 to 31 March 2025. The Board members for 2023/24 were as follows:

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Other Committees or Task Teams (e.g: Audit Committee / Ministerial Task Team)	No. of Board Meetings Attended, Including Special Meetings
Ms Nosipho Makhanya	Independent Chairperson	01 April 2020 ¹	N/A	<ul style="list-style-type: none"> Chartered Accountant (CA-SA) Bachelor of Business Science in Management Studies in the field of Finance (Honours) Post Graduate Diploma in Accounting Bachelor of Laws 	<ul style="list-style-type: none"> Finance Accounting 	Executive Committee	9/9
Mr Langalakhe Mhlongo	Member -Community Organisation	01 April 2020	N/A	<ul style="list-style-type: none"> Marketing Diploma Post Grad Dipl Advance Labour Law Nat Dipl Paralegal Studies 	<ul style="list-style-type: none"> Community Development 	Finance and Remuneration Committee Policy Review Committee	9/9
Prof. Mamohau Sekgaphane	Member -Community Organisation	01 April 2020	N/A	<ul style="list-style-type: none"> PhD in Management of Technology & Innovation 	<ul style="list-style-type: none"> Community Development Academic Finance 	Governance and Strategy Committee Policy Review Committee	9/9
Mr Moses Lekota	Member -Organised Labour	01 April 2020 ²	N/A	<ul style="list-style-type: none"> Masters in Business Administration Advanced Diploma in Public Admin Diploma in Business Management 	<ul style="list-style-type: none"> Trade Union Leadership Banking and Business Management 	Executive Committee Policy Review Committee	1/9
Ms Vanessa Hattingh	Member -Organised Labour	01 April 2020	N/A	<ul style="list-style-type: none"> Labour Law Certificate Public Relations Certificate 	<ul style="list-style-type: none"> Trade Union Leadership 	Finance and Remuneration Committee	9/9
Mr Brigade Nyakane	Member -Organised Labour	01 April 2020 ³	N/A	<ul style="list-style-type: none"> Bachelor of Commerce 	<ul style="list-style-type: none"> Finance 	Audit and Risk Committee	2/9
Ms Lebogang Shabangu (Selepe)	Member -Organised Labour	01 April 2020 ⁴	N/A	<ul style="list-style-type: none"> B.COM Hon: Financial Management B.COM Law 	<ul style="list-style-type: none"> Finance Trade Union Leadership 	Executive Committee	9/9
Adv Philip Landman	Member -Organised Labour	01 April 2020	N/A	<ul style="list-style-type: none"> LLB 	<ul style="list-style-type: none"> Legal Trade Union Leadership 	Governance and Strategy Committee Policy Review Committee	9/9
Mr David Cedras	Member -Organised Labour	01 April 2020 ⁵	N/A	<ul style="list-style-type: none"> N4 Certificate in Marketing Management 	<ul style="list-style-type: none"> Trade Union Leadership 	Finance and Remuneration Committee Policy Review Committee	2/9

¹Ms Nosipho Makhanya – Board Chairperson reappointed effective 01 April 2020

²Mr Moses Lekota – Board member reappointed effective 01 April 2020. Nomination withdrawn as at 12 June 2023, awaiting Minister's confirmation.

³Mr Brigade Nyakane - Nomination withdrawn as at 12 June 2023, awaiting Minister's confirmation.

⁴Ms Lebogang Shabangu (Selepe) – Board member reappointed effective 01 April 2020.

⁵Mr David Cedras – Board member reappointed effective 01 April 2020. Nomination withdrawn as at 12 June 2023, awaiting Minister's confirmation

BOARD COMMITTEES

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

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

Committee	No. of Meetings Held	No. of Members	Name of Members
Executive Committee	15	5	Ms Nosipho Makhanya Ms Mmathema Matle Mr Moses Lekota Ms Lebogang Selepe Adv Philip Landman ⁶ Vacant
Audit and Risk Committee	9	6	Dr Pritish Dala Ms Thembelihle Mbatha Ms Michelle Pillay Mr Brigade Nyakane Ms Vanessa Hattingh ⁷ Mr Phumudzo Siphuma Mr Tom Tshitangano ⁸ Mr Ashley Latchu ⁹
Finance and Remuneration Committee	8	5	Mr David Cedras Ms Vanessa Hattingh Ms Myenthrree Moodley Mr Langalakhe Mhlongo Vacant
Governance and Strategy Committee	6	3	Prof. Mamohau Sekgaphane Ms Leonie van Pletzen Adv Phillip Landman

BOARD AND COMMITTEE MEMBER REMUNERATION

Board and committee members are not BANKSETA staff members. Fees are paid to Board and committee members for their attendance at and contributions to official meetings and responsibilities as members (as aligned to the Board and Committee Remuneration Policy). The fees approved by the Minister of Higher Education, Science and Innovation are in accordance with remuneration level sub-category S, as determined by the Minister of Finance in the 'Circular from the National Treasury on Adjustment of the Remuneration Levels'. Audit and Risk Committee members are remunerated at the same rates as Board members approved by the Minister of the Department of Higher Education, Science and Technology.

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

Meeting fees are paid to the constituencies that members represent and not to individuals, except for members who are Ministerial appointments, independent committee members and members whose employers have granted them exemption from this condition. Independent committee members who are public officials or government employees are not remunerated for meeting attendance unless they take unpaid leave to attend. Allowances are also subject to tax regulations.

⁶Adv Philip Landman – Appointed to Executive Committee effective 28 July 2023

⁷Ms Vanessa Hattingh – Appointed to ARC effective 28 July 2023

⁸Mr Tom Tshitangano – Resigned effective 11 May 2023.

⁹Mr Ashley Latchu – Appointed effective 25 July 2023.

Board Member Remuneration (Including Fees for Training, Special Board Meetings, Annual General Meeting and Round-Robin Approvals)

- Board members are remunerated for meeting preparation and attendance, including special meetings for Board and committee meetings.
- Board members are also remunerated for ad hoc meetings and activities including interviews, task team meetings, joint committee meetings, SETA graduations, management meetings and stakeholder engagements.

Name	Quarterly Meetings (R'000)	Special Meetings (R'000)	Ad-hoc Activities/ Meetings	Total (R'000)
Ms Nosipho Makhanya	117	128	232	477
Mr Langalakhe Mhlongo	91	126	79	296
Dr Mamohau Sekgaphane	96	69	74	239
Mr Moses Lekota	18	23	0	41
Ms Vanessa Hattingh	109	100	55	264
Mr Brigade Nyakane	22	9	-	31
Ms Lebogang Shabangu (Selepe)	88	93	44	225
Adv Philip Landman	115	113	48	276
Mr David Cedras	29	20	-	49
Mr Phumudzo Siphuma	71	66	18	155
Ms Myentthree Moodley	62	57	39	158
Ms Mmathema Matle	92	132	55	279
Ms Leonie van Pletzen	86	28	11	125
Vacant	-	-	-	-
Vacant	-	-	-	-
Dr Pritish Dala (Audit and Risk Committee Chairperson)	79	63	68	210
Ms Thembelihle Mbatha (Audit and Risk Committee member)	36	15	15	66
Ms Michelle Pillay (Audit and Risk Committee member and Chairperson of Risk Management Committee)	73	30	19	122
Mr Tom Tshitangano (Audit and Risk Committee member and Chairperson of ICT Steering Committee until 11 May 2023) Steering Committee)	-	-	-	-
Mr Ashley Latchu (Audit and Risk Committee member and Chairperson of ICT Steering Committee from 25 July 2024)	41	29	41	111
Total:	1 225	1 101	798	3 124

RISK MANAGEMENT

The Board approved the Risk Management Policies, Strategy and Implementation Plan to guide BANKSETA on the effective implementation of its risk management system. Risk management has been adopted as a crucial governance requirement to address all factors that may hinder or prevent BANKSETA from achieving its objectives and/or factors that present opportunities to enhance BANKSETA performance.

A Risk Management Committee has been established, chaired by an independent Chairperson, and reports quarterly to the Audit and Risk Committee. The Accounting Authority, assisted by the Audit and Risk Committee, Risk Management Committee, Management and Risk and Compliance Unit, is committed to the optimal management of risk to achieve the SETA's vision, mission, objectives, strategies and plans and to protect its core values. The Accounting Authority has committed BANKSETA to implement risk management aligned to the principles of good corporate governance, supported by legislation and leading practice.

- **Risk Assessments to Determine the Effectiveness of its Risk Management Strategy and to Identify New and Emerging Risks**
BANKSETA conducted the annual risk assessment within various business units of BANKSETA, to determine the effectiveness of its risk management policy and identify new and emerging risks. These resulted in the revised strategic and operational risk registers as well as the Fraud risk register being realigned to focus on the new identified risk mitigation strategies. The strategic and operational risk registers were monitored throughout the financial year and quarterly reports were provided to Risk Management Committee, Audit and Risk Committee and the Board. These committees identify the risks and make sure to implement actions that will mitigate them to an acceptable level.
- **Risk Management and Mitigation**
The Board established a Risk Management Committee chaired by an independent chairperson. The Committee reported to the board via the Audit and Risk Committee on a quarterly basis. The Head of Risk and Compliance attends meetings and provides reports to the governance structures. Internal Audit function reviews risk management processes annually and reports on the effectiveness of risk management to the Audit and Risk Committee. These measures are in place in order to achieve effective risk management and a high level of independence.
- **Advice on Risk Management and Independently Monitoring of the Effectiveness of the System of Risk Management**
The Head of Risk and Compliance reports quarterly to the Risk Management Committee and Audit and Risk Committee. These committees are established to assist the Board to oversee the effectiveness of the risk management system of BANKSETA. The Audit and Risk Committee, through quarterly monitoring of

the Risk management Implementation Plan, provides independent assurance to the Board of BANKSETA'S effective risk management system.

- **Progress in the Management of Risks and its Transmission into Improvements in the BANKSETA Performance**
Through its Risk Management Strategy, BANKSETA has adopted a standard approach to enterprise risk management to ensure that all risks that could affect its strategic outcomes, people, reputation, strategy, business processes and systems, financial and environmental performance are identified, assessed and maintained at an acceptable level to enhance organisational performance. Furthermore, BANKSETA has an approved Risk Appetite and Tolerance Framework to assist the Board's risk oversight and to communicate the Board's risk-taking expectations to executive management with regards to organisations and strategic decisions.

INTERNAL CONTROL UNIT

BANKSETA has established a MANCO (management committee), which comprises of all managers of BANKSETA and the CEO serves as the Chairperson. MANCO convenes periodically and on an ad hoc basis, to discuss and deliberate on matters, such as policies, strategies and operational documents and processes, before items are processed to the Board and Committees. Resolutions from the Board and Committees are tabled at MANCO to ensure effective communication, implementation and accountability. A Combined Assurance Framework is in place which designates responsibilities to all assurance providers, to improve the internal control environment. An ICT Steering Committee was also established, which comprises of management, and an independent Chairperson was appointed by the Board since August 2022. The ICT Steering Committee oversees IT governance, convenes on a quarterly basis and reports to the Audit and Risk Committee. All ICT governance matters, including ICT policies, strategies and plans are processed through the ICT Steering Committee, and resolutions from Board and the Audit and Risk Committee related to ICT are tabled at this committee to ensure implementation and accountability.

INTERNAL AUDIT AND AUDIT COMMITTEES

BANKSETA is committed to applying the practices and principles of the King IV Code of Governance Practice in South Africa and complying with the prescripts of the PFMA.

The Board is responsible for maintaining a sound system of internal control. Internal Audit, thus, assists BANKSETA to accomplish its objectives through a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes articulated in its Internal Audit Charter.

BANKSETA Internal Audit has been insourced since March 2016 and is managed by the Head of Internal Audit with a team of internal audit specialists. Should external expertise be required, it is sourced following a formal procurement process.

Key Activities and Objectives of the Internal Audit

The Internal Audit department helps BANKSETA accomplish its objectives by bringing a systematic, disciplined approach to evaluating and/or improving the effectiveness of risk management, internal control and governance processes in line with the International Standards for the Professional Practice of Internal Auditing.

Summary of Audit Work Done

The purpose, authority, and responsibility of the Internal Audit activity is defined in the approved Internal Audit Charter and is consistent with the mission of Internal Audit and the mandatory elements of the International Professional Practices Framework. Internal Audit provided assurance in terms of governance, risk management and control as per the approved risk-based audit plan and reported progress to the Audit and Risk Committee quarterly.

Internal Audit coverage for 2023/24 (aligned to the Rolling Three-Year Strategic Internal Audit Plan and outcomes of the risk assessment) encompassed the following:

- Annual Financial Statements Quality Review
- Annual Performance Report
- Commitments (Final)
- Risk and Compliance Management
- Performance Information Q1, Q2, Q3 and Q4
- Discretionary Grants (incl. site visits)
- Performance Bonus
- Financial Discipline (incl. Investments)
- Commitments (interim)
- ICT – Cyber Security
- Mandatory Grants and Revenue
- Annual Performance Plan and Strategic Plan (APP and SP)
- Supply Chain Management (incl. Contract Management)
- ICT – MIS Implementation Review
- HR and Payroll (incl. consequence management);
- Fraud and Ethics Management;
- Preferential Procurement Policy review;
- Governance Review;
- Quality Assurance Management (business unit);
- ICT – Application Controls Review;
- ICT – General Controls Review; and
- Interim Financial Statements Review
- Discretionary Grants- SME Projects Review.

Key Activities and Objectives of the Audit

Committee

The BANKSETA has an independent Audit and Risk Committee that was appointed in line with the requirements of the PFMA and National Treasury. The Audit and Risk Committee has a charter approved by the Accounting Authority that guides it in fulfilling its oversight responsibilities. These oversight responsibilities include the financial reporting process, the system of internal control, risk management, corporate governance, IT governance, performance information, the audit process and the organisation's process for monitoring compliance with laws and regulations and providing recommendations for improvement.

The Committee provides the Accounting Authority with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Institution.



Motivation Monday

Imagine being Rose Lekhafola in 2010 – feeling hopeless after matric, facing the harsh reality of unemployment. But then, you took a chance and applied for the Letsema Learnership. Meet Rose Lekhafola, whose journey from a Letsema Learnership applicant to a Universal Advisor Lead at FNB Bloemfontein is a testament to snatching opportunities. Despite facing dwindling hope and unemployment in 2010, Rose took a leap of faith.

Thanks to BANKSETA's initiative, she not only secured a job but also gained access to education and a brighter future. Rose's story reminds us that opportunities abound, even in the face of adversity.

Keep believing, keep striving – your success story could be just around the corner.

Attendance of Audit Committee Meetings by Audit Committee Members

In terms of membership, the ARC is currently comprised of four external independent members and two additional members from the Accounting Authority. For the financial year, the ARC convened nine times. A list of the members and their respective qualifications as well as a record of their attendance is provided below:

Name of Member	Qualifications	Date Appointed	Date Resigned/ End of Term	No. of Meetings Attended
Dr. Pritish Dala (Chairperson - External Independent Member)	PhD Information Technology, Master of Information Technology, Bachelor of Science (Computer Science) Honours (Cum Laude), Bachelor of Information Technology (Cum Laude), Certified Governance of Enterprise Information Technology (CGEIT), Certified Risk and Information Systems Control (CRISC), Certified Information System Auditor (CISA), Certified Ethical Hacker (CEH), Certified Computer Hacking Forensic Investigator (CHFI), Certified Data Privacy Solution Engineer(CDPSE), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001.	01 Dec 2020	N/A	9/9
Ms. Thembelihle Mbatha (External Independent Member)	Master of Business Leadership (MBL), Chartered Accountant (SA), B Compt. Honours in Accounting (CTA), B Compt. Accounting Sciences.	01 Dec 2020	N/A	5/9
Ms. Michelle Pillay (External Independent Member)	Chartered Accountant (SA), Bachelor of Commerce, Honours in Accounting (CTA).	01 Dec 2020	N/A	6/9
Mr. Tom Tshitangano (External Independent Member)	MCom Development Finance Degree, Post Graduate Diploma in Business Administration, BSc degree in Information Systems and Computer Science, National Diploma in Computer Systems Engineering	01 Aug 2022	11 May 2023	0/9
Mr Ashley Latchu (External Independent Member)	Masters in Computing Science Honours in Computing Science Bachelors Degree in Computing MCSE MCSD MCDBA MCSA	14 June 2023	N/A	5/9
Mr. Brigade Nyakane (Accounting Authority Member: Organised Labour)	Bachelor of Commerce.	25 Jun 2020	N/A	1/9
Mr. Phumudzo Siphuma (Accounting Authority Member: Organised Employer)	Chartered Accountant (SA), B Compt, Honours Accounting (CTA).	25 Jun 2020	N/A	9/9
Ms. Vanessa Hattingh (Accounting Authority: Organised Labour)	Advanced Certificate: Labour Law	14 July 2023	N/A	7/9

Compliance with Law and Regulations

BANKSETA ensures that it complies with laws and regulations through its governance structure and senior management responsibilities, in accordance with its mandate and as formally communicated by the Executive Authority and National Treasury. BANKSETA has developed a compliance framework for submissions aligned to the Executive Authority compliance calendar to ensure consistent focus on compliance. Reports on legislative updates are tabled at quarterly Board and Committee meetings, to ensure that Board members are kept abreast of legislative developments and that BANKSETA complies with laws and regulations. Policies are also updated periodically to ensure alignment and compliance with laws and regulations.

FRAUD AND CORRUPTION

BANKSETA is committed to fighting the scourge of fraud, corruption, and unethical behaviour and has no tolerance to corruption. The Board approved the Whistleblowing, Anti-Corruption Policy and Fraud Prevention Plan. The Fraud Prevention Plan aims at preventing instances of fraud and corruption; detecting instances when they do occur and responding appropriately and taking corrective action when fraud and corruption happen.

BANKSETA has a dedicated 24/7 hotline service and panel of forensic service providers to investigate reported allegations. All cases reported through the hotline service are subjected to a preliminary investigation and if a full investigation is required, cases are referred to the panel of forensic service providers. All investigations are overseen by the Risk Management Committee and reported to the Board via the Audit and Risk Committee.

BANKSETA is committed to preventing incidents of fraud, corruption, and unethical conduct through continuous awareness sessions to employees and ensuring deterrence through implementing consequence management as well as recommendations from investigation reports.

MINIMISING CONFLICT OF INTEREST

All Board members and members of staff are required to submit written annual declarations to disclose any conflict of interest and are also required to disclose conflicts of interest at all formal meetings. When a Board or staff member declares a conflict of interest in relation to any business tabled at a meeting, the Board or staff member is recused from the meeting. Formal declarations of interests are noted and records kept in accordance with Board and committee meeting requirements as well as for supply chain management activities to ensure that conflict of interest is minimised. No incidents of conflict of interest were reported for the year under review.

CODE OF CONDUCT

BANKSETA adheres strictly to the Code of Conduct in its Constitution:

1. All members of the Accounting Authority and any committee established by the Accounting Authority are subject to this code of conduct and are required to comply with both the letter and the spirit of the code.
2. Members of the Accounting Authority and any committee established by the Accounting Authority:
 - a. Stand in a fiduciary relationship to the SETA;
 - b. Must comply with all the applicable laws and regulations that regulate the activities they are engaged in for and on behalf of the SETA;
 - c. Must perform their functions fairly, honestly and in good faith, giving full effect to the obligations and spirit of the Act and this Constitution;

- d. Must protect and promote the reputation of the SETA and promote goodwill towards it;
 - e. Must perform their duties conscientiously and in the best interest of the SETA; and
 - f. Conduct themselves ethically and in accordance with the principles of good governance.
3. To ensure the proper execution of its mandate and effective compliance with the applicable legislative and policy framework, the Accounting Authority must ensure that the staff of the SETA and members of all committees adhere to the following principles of governance –
 - a. Effectiveness and efficiency in the execution of their specified mandates, which require clearly formulated purpose statements, objectives, roles and responsibilities.
 - b. Accountability for meeting their specified mandates, which requires effective accountability mechanisms, proper management, control and the safeguarding of finances and resources, as well as regular and accurate performance reviews, assessments and reporting.
 - c. Integrity and honesty in the management of finances and resources, which require observing and promoting high standards of ethical conduct, proper execution of fiduciary duties, independence from vested interests and avoiding undue influence and conflict of interests.
 - d. Transparency and openness, which require fair, transparent and accessible rules, processes and procedures; the consistent application of these rules, processes and procedures; transparent and motivated decision-making; and timely and accurate provision of information to a higher authority, stakeholders and the public.
 - e. Participation in the development and implementation of public policies, where appropriate, which requires the active involvement of beneficiaries, stakeholders and other affected groups in the formulation of policies and programmes; promoting ownership of policies and programmes; stakeholder commitment to their success; and consultation with, and representation on, institutional structures.
 - f. The capacity and resources to execute their mandate, which require appropriate selection and capacity-building to ensure that members and staff have the necessary skills, knowledge and experience.

Contravention of the Code of Conduct is treated as prescribed in the BANKSETA Constitution. Any contraventions of the Code by a member should be reported to the Chairperson, who must ensure that the matter is investigated. Any contravention of the Code by the Chairperson should be reported to the Minister. A contravention of the Code may result in disciplinary action being taken, which could result in a member being removed from office. No breaches of the Code were recorded during 2022/23.

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

Health, Safety and Environmental Issues

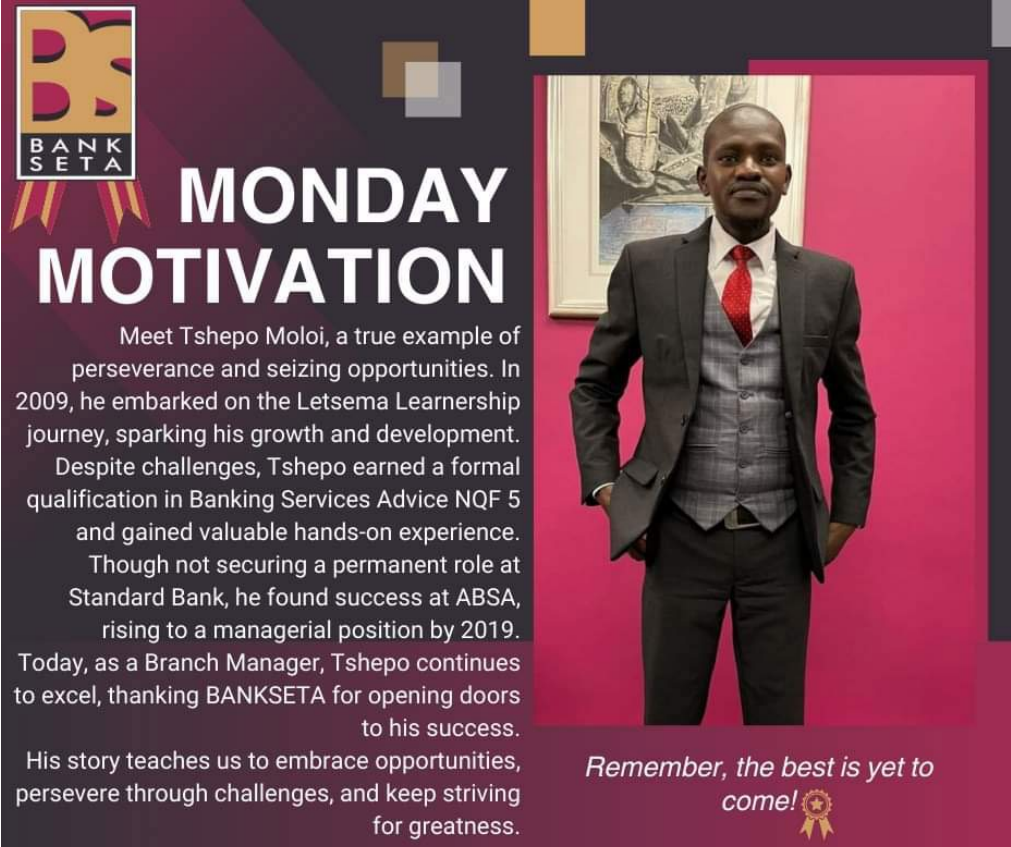
The level of awareness on OHS and reporting has been one of many main focus areas in the BANKSETA since the lockdown period in 2020 – 2021. The BANKSETA has been fortunate to avoid any work-related injuries during the past 4 years and diseases, mainly related to the respiratory category (COVID-19 and the like), have been treated with the utmost care and given the attention it deserves.

The hybrid working model in the BANKSETA has greatly contributed to curbing the spread of contagious diseases in the organisation and has allowed employees to fully recover before reporting to the office environment. Data collection and reporting on work-related injuries and diseases have been harmonised within the different departments via the OHS Committee and there is a uniform way of recording and reporting injuries and disease statistics.

Enforcement of legislation has been complied with by the organisation with a minor limitation with regard to human resources capacity. Suggestions would include that the process of reviewing legislation should be fast tracked and that South African Public Entities should support OHS systems and provide basic facilities for all workers to promote OHS.

Company Secretary

The Company Secretary has a key role to play in ensuring that Board procedures are both followed and regularly reviewed. As part of the responsibilities, the Company Secretary provides Board members with guidance as to their duties, responsibilities and assists in the proper induction, orientation, ongoing training, including assessing the specific training needs of Board members in their fiduciary and other governance responsibilities. The governance compliance reports are submitted to the DHET on a quarterly basis and minutes of all Board and Committee meetings are recorded by the Company Secretary, in accordance with required governance prescripts.



BANKSETA

MONDAY MOTIVATION

Meet Tshepo Moloi, a true example of perseverance and seizing opportunities. In 2009, he embarked on the Letsema Learnership journey, sparking his growth and development. Despite challenges, Tshepo earned a formal qualification in Banking Services Advice NQF 5 and gained valuable hands-on experience. Though not securing a permanent role at Standard Bank, he found success at ABSA, rising to a managerial position by 2019. Today, as a Branch Manager, Tshepo continues to excel, thanking BANKSETA for opening doors to his success.

His story teaches us to embrace opportunities, persevere through challenges, and keep striving for greatness.

Remember, the best is yet to come!

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2024.

Audit and Risk Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from Sections 51(1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 27.1. Furthermore, the ARC has adopted an ARC Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Effectiveness of Internal Control

Internal Audit continues to provide assurance in terms of control, governance, and risk management as per the approved risk-based audit plan. At the end of the financial year, Internal Audit achieved 100% completion of the approved risk-based audit plan based on the audit engagements listed below:

- Annual Financial Statements Review;
- Annual Performance Plan and Strategic Plan Review;
- Annual Performance Report Review;
- Commitments (Final) Review;
- Commitments (Interim) Review;
- Discretionary Grants - SME Projects Review;
- Discretionary Grants (incl. Site Visits) Review;
- Financial Discipline (incl. Investments) Review;
- Fraud and Ethics Management Review;
- Governance Review;
- HR and Payroll (incl. Consequence Management) Review;
- ICT - Application Controls Review;
- ICT - Cyber Security Review;
- ICT - General Controls Review;
- ICT - MIS Post Implementation Review;
- Interim Financial Statements Review;
- Mandatory Grants and Revenue Review;
- Performance Bonus Review;
- Performance Information Review - Q1;
- Performance Information Review - Q2;
- Performance Information Review - Q3;
- Performance Information Review - Q4;
- Preferential Procurement Policy Review;
- Quality Assurance Management Review;
- Risk and Compliance Management Review; and
- Supply Chain Management (incl. Contract Management) Review.

The ARC's review of the findings identified by the internal and external auditors revealed that the system of internal controls (governance, risk management and control) are partially adequate while some sections require improvement.

The ARC in executing its oversight responsibilities in relation to governance, risk management and control at BANKSETA has identified the following key areas of concern that should be addressed:

- Compliance;
- Consequence management;
- Information technology;
- Materialised fraud risks given the number of allegations confirmed during the financial year;
- Non-timely implementation of ARC resolutions, risk mitigation actions as well as audit findings from Internal Audit and the Auditor-General South Africa (AGSA);
- Quality of financial and performance information; and
- Record keeping.

In-Year Management and Monthly/Quarterly Reports

BANKSETA has reported quarterly to the National Treasury and the Executive Authority as is required by the PFMA. The ARC as well as assurance providers provided management with recommendations to improve the quality of financial and non-financial (performance information, information communication technology, risk management, human resource management, legal and compliance) information and reporting during the year under review.

Evaluation of Financial Statements and Annual Performance Report

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Reviewed changes in accounting policies and practices;
- Reviewed compliance of the annual financial statements with accounting standards and legal requirements;
- Reviewed significant financial reporting judgements and estimates contained in the annual financial statements;
- Reviewed clarity and completeness of disclosures in the annual financial statements and whether disclosures made have been set properly in context;
- Reflected on unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reviewed reasons for major year-on-year fluctuations, including variances of actual versus budget;
- Reviewed levels of general and specific provisions in the annual financial statements;
- Reviewed write-offs and reserve transfers in the annual financial statements;

- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues;
- Reviewed the unaudited information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Reviewed the AGSA audit and management reports, with due consideration of the responses provided by Management; and
- Reviewed the audited financial statements as well as the information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Authority.

Auditor-General of South Africa (AGSA) Report

The ARC concurs with the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

We would like to express our appreciation to the Accounting Authority for their leadership and support as well as all other assurance providers and most importantly commend BANKSETA for the improvement in the audit opinion from a qualification to unqualified with material findings relating to compliance. The ARC implores Management to address the concerns raised by the ARC as well as the audit findings identified by the Internal Audit and AGSA in order to address the root cause of the control deficiencies in pursuit of a clean audit outcome (unqualified with no material findings).

P. Dala

Dr. Prittish Dala

Chairperson BANKSETA Audit and Risk Committee

Date: 8 August 2024





PART D

HUMAN RESOURCE MANAGEMENT



Enabling Transformation through Skills Development



INTRODUCTION

Human Resource Philosophy resonate in creating an environment for growth where everyone has the opportunity to thrive. As we continue to support the professional growth of employees through various learning initiatives, the BANKSETA has reviewed the competency framework that support the business operating model, which was part of the Organisational Redesign process in enhancing our footprint. The BANKSETA staff complement for permanent has increased from 64 to 93, including 14 internship positions that will form part of the talent pipeline. This will contribute to National Government Priorities on graduate upskilling.

Employee Wellness

HR is crucial in establishing engaging employee wellness initiatives that not only help to reduce employee turnover and attrition but also ensure employees that the organisation cares about them and their well-being.

BANKSETA continues to offer an Employee Assistance Programme with MAEKO, and this is essential for fostering a healthy, productive, and engaged workforce.

Learning and Development

The HR team of the BANKSETA is passionate about development and work closely with our managers and employees to promote continuous learning and development, tailored to the organisation's needs. This includes professional development opportunities, workshops, and continuous learning initiatives.

Employee Relations

We continue to maintain strong relationships with our recognised trade union through their representatives by keeping in touch through regular collective forum meetings. This process has contributed to a meaningful resolution on several labour matters and conclusion of the wage agreements. HR manages relationships between the organisation and its employees by addressing workplace issues, resolving conflicts, and ensuring a positive work environment.

Policy Development

Developing effective policies involves a structured process to ensure that we address relevant issues and that policies are implemented successfully. Consultation with recognised labour unions and MANCO took place on several policies. The following policies were approved by the Board:

Acting Policy, Code of Conduct Policy, Disciplinary Policy, Employment Equity Policy, Grievance Policy, Leave Policy, Overtime Allowance Policy, Performance and Management Policy, Reimbursement Policy, Sexual Harassment Policy, and Smoking Policy.

HIGHLIGHT ACHIEVEMENTS

Employment Equity (EE)

The BANKSETA employment equity plan was successfully reviewed by the Department of Employment and Labour, in line with the amended EE Act. We can share our achievements that the Commissioner has approved the EE Plan, as it aligns with the numerical targets both nationally and provincially.

Human Resource Information System (HRIS)

We seek continuous improvement and do things quickly, effectively, and innovatively. The implementation of the HRIS has enhanced our performance and become more responsive to customer needs with the automated systems. Improvements relating from the HRIS system includes, but is not limited to:

- Recruitment system, streamlining our recruitment processes
- Performance Management process improved
- Seamless integration between ESS and SmartPay
- Mobile app for leave applications
- We are in the process of developing and implementing a fully electronic employee data filing system.

Employee Satisfaction Survey

Employee satisfaction surveys are essential tools for understanding how employees feel about their jobs, workplace environment, and overall organisation. In HR, we implement employee satisfaction surveys in October every year to effectively measure and improve employee satisfaction, leading to a more engaged and productive workforce. We obtain employee buy-in in this process to ensure the process is fair and seamlessly effected.

SETA Partnership

Partnerships between different SETAs are crucial for enhancing skills development across various sectors. These collaborations help to pool resources, share expertise, and address common challenges more effectively. Our HR Forum meets once quarterly to discuss and deliberate different topics to address HR challenges. This collaboration has resulted in the development of the Collective Bargaining Forum and creating a shared drive for conditions of services across the 21 SETAs.

Future HR Plans /Goals

By setting these SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals, HR departments can effectively contribute to the overall success of the organisation while ensuring the growth and satisfaction of employees.

1. Talent Acquisition and Retention:

Goal: Increase the employee retention rate by 15% over the next 12 months by implementing a comprehensive employee engagement programme.

2. Employee Development and Training:

Goal: Ensure that 90% of employees complete at least one professional development course per year to enhance their skills and career growth.

3. Diversity, Equity and Inclusion (DEI):

Goal: Increase the representation of under-represented groups in management positions by 10% within the next two years.

4. Employee Wellness and Well-being:

Goal: Implement a comprehensive wellness programme that includes mental health support, fitness incentives, and financial wellness workshops, with 80% employee participation within the first year.

5. Performance Management:


Goal: Revamp the performance management system to include continuous feedback and quarterly performance reviews, aiming for 95% completion rate of reviews within the next year.

Performance Management

HR is involved in setting and driving collaboration with all internal stakeholders, performance standards, conducting evaluations, and implementing performance improvement plans. This assists in recognising and rewarding high performers and addressing underperformance.

MOTIVATION


MONDAY




#BANKSETA

#SuccessStories

BEFORE



AFTER



Meet Katlego Hlalifi Malapela, an inspiring example of how determination and hard work can lead to success. Katlego's journey began modestly in 2019, selling sheep heads to make ends meet, but he didn't stop there.

In 2021, he joined the Letsema program and was chosen by Standard Bank and landed a permanent role there. Currently, he's advancing his education in Financial Planning and Insurance while excelling as an Estate Administrator.

His story shows that with BANKSETA's support and your dedication, the possibilities are endless. No matter where you start, remember, with perseverance and the right opportunities, you can achieve greatness.

HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL COST BY SALARY BAND

Occupational Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel	No. of Employees	Average Personnel Cost Per Employee (R'000)
Senior Management	6 170	11	3	2 057
Professional Qualified	18 614	33	17	1 095
Skilled	24 179	43	35	691
Semi-skilled	2 475	4	8	309
Unskilled	426	1	2	213
Fixed term Contracts	3 954	7	11	359
Total	55 818	100	76	787
Performance Rewards	9 381			
Workmeans Compensation	87			
Settlement	434			
Total Personnel Expenditure for the Year	65 720			

Under fixed term contracts, we have a total number of 11 employees of which are accounted for in the payroll linked to projects due to shortage of resources subject to the approval of the organisational design structure.

As part of the business reengineering BANKSETA planned to drive operational efficiency and ensure regional front print once the organisation design is approved.

PERFORMANCE REWARDS

Occupational Level	No. of Employees	Performance Award (R'000)	% of the Performance Rewards to Total Personnel Cost
Senior Management	3	2 027	32.9
Professionals	17	4 940	26.5
Skilled	33	4 981	20.6
Semi-skilled	7	371	15.0
Unskilled	2	63	14.8
Total	62	12 382	22.2

The above table reflects the bonus provision for **2023/24**. The actual amounts for **2023/24** will be determined after the annual report has been published. A bonus overprovision of R3 001 000 from 2022/23 year reduced the performance bonus expense to R9 381 000 in 2023/24.

TRAINING EXPENDITURE

Human Resource Training and Development Budget	Personnel Expenditure Cost (R'000)	Training Expenditure Cost (R'000)	Training Expenditure as a Percentage of Personnel Cost	No. of Trained Employees	Average Training Cost Per Employee (R'000)
	65 720	520	0.79	64	8

REASONS FOR STAFF LEAVING

Reason	Number	% of the Total No. of Staff Leaving
Death	0	0
Resignation	2	50
Dismissal	1	25
Retirement	0	0
Ill Health	1	25
Expiry of Contract	0	0
Other	0	0
Total	4	100

EMPLOYMENT EQUITY

	Male				Female				Foreign Nationals			
Occupational Level	AM	CM	IM	WM	AF	CF	IF	WF	M	F	Total	% EE
Senior Management	1	0	0	0	0	0	0	1	0	1	3	33.33
Professionals	7	1	1	0	5	1	0	1	1	0	17	88.24
Skilled	18	0	1	0	14	0	0	1	0	1	35	94.29
Semi-skilled	3	0	0	0	5	0	0	0	0	0	8	100.00
Unskilled	0	0	0	0	2	0	0	0	0	0	2	100.00
Total Permanent	29	1	2	0	26	1	0	3	1	2	65	90.77
Temporary Employees	1	0	0	0	10	0	0	0	0	0	11	
Total Permanent	30	1	2	0	36	1	0	3	1	2	76	

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of Disciplinary Action	Numbers
Verbal Warning	1
Written Warning	1
Final Written Warning	0
Dismissal	1

EMPLOYMENT AND VACANCIES

Occupational Level	Appointments	Terminations	Vacancies
Senior Management	0	0	1
Professionals	1	1	1
Skilled	3	4	1
Semi-skilled	1	0	0
Unskilled	0	0	0
Total	5	5	3

A woman with glasses is shown in profile, looking down at a desk. She is wearing a light-colored blazer. On the desk, there is a calculator and some papers. The entire image has a magenta tint. A dark magenta rectangular box is positioned on the right side of the image, containing the text 'PART E' and 'PFMA COMPLIANCE REPORT' in white.

PART E

PFMA COMPLIANCE REPORT

Enabling Transformation through Skills Development



1. IRREGULAR EXPENDITURE

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

- The Public Financial Management Act, 1999 (Act No. 1 of 1999) (PFMA).
- The Skills Development Act, 1998 (Act No. 97 of 1998) as amended.
- Instructions and circulars issued by the National Treasury.

The BANKSETA may have received value for such irregular expenditure.

Irregular expenditure is recorded in the annual report when it is either -

- confirmed.
- under assessment, determination and/or investigation.
- condoned by the relevant authority; or
- transferred to receivables for recovery; or
- written off if it is not recoverable; or
- not condoned and removed.

a. Reconciliation of Irregular Expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	20 183	23 939
Add: Irregular expenditure confirmed	-	1 576
Less: Irregular expenditure from prior years derecognised	(781)	-
Less: Irregular expenditure condoned	-	(1 417)
Less: Irregular expenditure not condoned and removed	-	(3 915)
Less, Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing Balance	19 402	20 183

b. Reconciling Notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment in 2023/24	-	-
Irregular expenditure that relates to 2023/24 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	1 576
Total	-	1 576

c. Current Year Irregular Expenditure

Detail of Irregular Expenditure	2023/24	2022/23
	R'000	R'000
Board fees of the Accounting Authority members whose appointment were not made in line with the Skills Development Act, no 97 of 1998 (SDA) as amended	-	1 246
Expenditure incurred outside SCM legislation	-	330
Total Expenditure	-	1 576

d. Details of Current and Previous Year Irregular Expenditure (Under Assessment, Determination, and Investigation)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment in 2023/24	-	-
Irregular expenditure that relates to 2023/24 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	1 576
Total	-	1 576

e. Details of Current and Previous Year Irregular Expenditure Condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	-	(1 417)
Total	-	(1 417)

f. Details of Current and Previous Year Irregular Expenditure

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure from prior year derecognised	(781)	-
Total	(781)	-

g. Details of Current and Previous Year Irregular Expenditure Removed - (Not Condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure	-	(3 915)
Total	-	(3 915)

h. Details of Current and Previous Year Irregular Expenditure Derecognised

Description	2023/24	2022/23
	R'000	R'000
In the current year (2023/24)	-	-
In prior years	(781)	-
Total	(781)	-

During the year the National Treasury confirmed that certain legislation only applies to departments and therefore certain irregular expenditure in prior year should not have been recognised by BANKSETA.

i. Details of Current and Previous Year Irregular Expenditure Written Off (Irrecoverable)

There was no current and prior year irregular expenditure written off (irrecoverable).

j. Additional Disclosure Relating to Inter-Institutional Arrangements

Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance).

PFMA COMPLIANCE REPORT

Description	2023/24	2022/23
	R'000	R'000
Amounts relating to non-compliance cases where an institution is involved in an inter-institutional arrangement where BANKSETA was not responsible for the non-compliance	-	1 246
Total	-	1 246

The BANKSETA incurred irregular expenditure through board fees paid to five Accounting Authority members whose appointment was not compliant with the legislation. DHET was responsible for the process of appointment of the Accounting Authority members.

k. Details of Non-Compliance Cases Where an Institution is Involved in an Inter-institutional Arrangement (Where Such Institution Is Responsible for the Non-Compliance)

There were no non-compliance cases where BANKSETA was involved in an inter-institutional arrangement where BANKSETA was responsible for non-compliance.

l. Details of Current and Previous Year Disciplinary or Criminal Steps Taken as a Result of Irregular Expenditure

Disciplinary Steps Taken
The BANKSETA undertook various training and capacity-building sessions for employees who were involved in transactions which were deemed irregular during the year.

2. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the annual report when it is either -

- confirmed
- under assessment, determination and/or investigation
- recovered or transferred to receivables for recovery; or
- written off if it is not recoverable; or
- details of current and previous year disciplinary or criminal steps taken as a result of fruitless and
- wasteful expenditure.

a. Reconciliation of Fruitless and Wasteful Expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	25	-
Add: Fruitless and wasteful expenditure confirmed	1 895	25
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing Balance	1 920	25

b. Reconciling Notes

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	1 895	25
Total	1 895	25

c. Details of Current and Previous Year Fruitless and Wasteful Expenditure (Under Assessment, Determination and Investigation)

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	1 895	25
Total	1 895	25

Refer to note 3 for detail.

d. Details of Current and Previous Year Fruitless and Wasteful Expenditure Recovered.

There was no fruitless and wasteful expenditure recovered in the current or prior year.
The documentation for recovery of prior year fruitless expenditure was processed after 2023/24 year end.

e. Details of Current and Previous Year Fruitless and Wasteful Expenditure Not Recovered and Written Off

There was no fruitless and wasteful expenditure not recovered and written off in the current or prior year.

f. Details of Current and Previous Year Disciplinary Or Criminal Steps Taken As A Result Of Fruitless and Wasteful Expenditure

There were no disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure in the current or prior year.

3. DETAILS OF CURRENT AND PREVIOUS YEAR MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Description	2023/24	2022/23
	R'000	R'000
Theft	21	-
Other material losses	1 874	25
Less: recovered	-	-
Less: Not recovered and written off	-	-
Total	1 895	25

BANKSETA is investigating possible criminal conduct for the amount of R21 000 in the current year relating to ICT equipment stolen from BANKSETA's offices.

The BANKSETA paid grants worth R1 125 000 where the learners were not employees of the stakeholder, as per the application. In addition, 2 learners used the IDs of deceased persons.

The BANKSETA further suffered loss due to criminal conduct from stakeholders where:

- 183 laptops worth R457 000 were not accounted for after completion of training, and
- claims for more months of practical training then was delivered to the learners had been made and settled. The amount of the loss was R292 000.

4. INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS

National Treasury Instruction no 4 of 2022/23 compels all entities to pay all valid invoices within 30 days of receipt. BANKSETA hereby reports on its compliance with this.

Description	2023/24		2022/23	
	Number of Invoices	Consolidated Value (R'000)	Number of Invoices	Consolidated Value (R'000)
Valid invoices received	3 889	1 031 854	2 747	791 865
Invoices paid within 30 days or agreed period.	3 874	1 022 373	2 633	789 227
Invoices paid after 30 days or agreed period	15	9 481	114	2 638
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-	-	-

5. SUPPLY CHAIN MANAGEMENT

The Supply Chain Management role in BANKSETA is to manage the functions that pertain to the procurement of goods, works and services including the description of requirements and sources of supply, selection and award of contracts and the phases of contract administration.

Transaction implemented through supply chain management are subject to competitive bidding except the following:

a. Procurement by Other Means:

Transaction implemented through procurement by other means:

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract (R'000)
B-BBEE Verification and to issuing a Certificate	JS BEE Solution (Pty) Ltd	Single Source	Once off payment	104
ERP License for Finance and Supply Chain Management	SAGE (Pty) Ltd	Single Source	Once off payment	200
Organisational Development process	Phulo Consulting Services (Pty) Ltd	Single Source	Once off payment	273
South African Institute of Business Administrators (SAIBA) Membership	SAIBA	Single Source	Once off payment	53
Telephone Costs	Dataproof Communications	Single Source	Once off payment	7
BANKSETA Annual Board Membership	IODSA	Single Source	Once off payment	39
Risk Management Membership	IRMSA	Single Source	Once off payment	58
South African Chartered Accountant Membership	SAICA	Sole Source	Once off payment	8
Group IIA-SA membership renewal for 2023/2024 for the BANKSETA internal auditors	Institute of Internal Auditors South Africa (IIA-SA)	Sole Source	Once off payment	9

PFMA COMPLIANCE REPORT

b. Contract Variations and Expansions Above 15% of Original Contract Value

Project Description	Name of Supplier	Contract Modification type (Expansion or Variation)	Contract Number	Original Contract Value (R'000)	Value of Previous Contract Expansion/s or Variation/s (if Applicable) (R'000)	Value of Current Contract Expansion or Variation (R'000)
ERP System (The BANKSETA received no qualifying bids on this and expanded the existing contract while the tender is re-issued)	Breitech	Expansion	BS/2020/CON401	5 353	803	470
Legal Services (HR Matters) (a matter from 2020 is ongoing due to appeals and BANKSETA expended the contract of the legal representative you worked on the mater initially to finalise the matter)	Ndou Attorneys	Expansion	BS/2019/CON577	500	339	110



BAWAG

PART F

FINANCIAL INFORMATION

Enabling Transformation through Skills Development



BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF FINANCIAL RESPONSIBILITY

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

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa;

The Annual Report is complete, accurate and is free from any material omissions and errors.

The Annual Report has been prepared in accordance with the guidelines on Annual Reports as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the required GRAP accounting standards applicable to the BANKSETA.



Mr Eubert Mashabane
Chief Executive Officer



Ms Mia Makhanya
Board Chairperson

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

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Banking Sector Education and Training Authority (BANKSETA) set out on pages 104 to 177, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the BANKSETA as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for Opinion

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

Emphasis of Matter

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

Restatement of Corresponding Figures

7. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2024.

Responsibilities of the Accounting Authority for the Financial Statements

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

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

Responsibilities of the Auditor-General for the Audit of the Financial Statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 102 to 103 forms part of our auditor's report.

Report on the Audit of the Annual Performance Report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page Numbers	Purpose
Programme 2: Skills Planning	33 - 34	To ensure that appropriate and relevant research and benchmarking studies are conducted to provide input into the development of high quality and credible Sector Skills Plan and the Strategic Plan for the banking and alternate banking sector. A Sector Skills Plan is developed for the banking and alternate banking sector that reflects the labour market demands
Programme 3: Learning Programmes	35 - 47	To implement a range of interventions by entering into agreements between SETAs, qualifying employers and skills development service providers to deliver appropriate interventions to support the provision of substantial-quality programmes for employed workers, unemployed youth, TVET and university students, co-ops, SMEs, NGOs resulting in the ability of the beneficiaries to adapt to changes in the labour market and measure and report on the impact of the interventions. All BANKSETA programmes are diverse, that is, they include women, men, youth and people with disabilities

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

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

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected programmes.

Other Matter

18. I draw attention to the matter below.

Achievement of Planned Targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.

20. The tables that follow provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 33 to 47.

Programme 2: Skills Planning

<i>Targets achieved: 75%</i> <i>Budget spent: 101%</i>		
Key Indicator Not Achieved	Planned Target	Reported Achievement
2.1.1 Number of Workplace Skills Plans / Annual Training Reports approved for large firms, medium firms and small firms	416	315

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

Programme 3: Learning Programmes

Targets achieved: 71%		
Budget spent: 74%		
Key Indicator Not Achieved	Planned Target	Reported Achievement
3.1.2 Number of unemployed learners completing learnership programmes	210	196
3.2.1 Number of unemployed learners enrolled on Learnerships	1416	1348
3.2.2 Number of unemployed learners completed on learnerships and internships	1461	897
3.4.1 Number of employees entering the programme	2020	1237
3.4.2 Number of employees completing the programme successfully	1212	145
3.8.1 Number of Career Development Events on occupations in high demand: (Urban and Rural)	20	12
3.10.1 Number of workers: enrolled in Learnership programmes; granted Bursaries (new entries), Granted Bursaries (Continuing) and Enrolled skills programmes	4558	2655
3.10.2 Number of workers: completed learnerships programmes, granted bursaries completed their studies and completed skills programmes	1690	1140
3.12.2 Number of employees completing the programme successfully	360	149
3.13.2 Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	30	6
3.16.2 Number of participants completing the programme successfully	18	0
3.18.2 Number of people enrolled in CET Internships	100	0

Material Misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3: learning programmes. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on Compliance with Legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statements

26. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
27. Material misstatements of commitments and related party transactions disclosure notes identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other Information in the Annual Report

28. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
29. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal Control Deficiencies

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
33. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
34. Reviews over the preparations of the annual performance report and financial statements and its related disclosure notes were not adequate. As a result, there were material findings on areas of financial statements and its related disclosures.

Other Reports

35. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
36. A service provider was appointed to investigate issues related to skills development funding. Management is conducting internal investigations. At the date of this report these investigations were not finalised and some matters were reported to the South African Police Services.

Auditor-General
Pretoria
31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-General's Responsibility for the Audit

Professional Judgement and Professional Scepticism

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

Financial Statements

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

Communication with those Charged with Governance

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

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE
BANKING SECTOR EDUCATION AND TRAINING AUTHORITY**

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
	Notes	R'000	R'000
			Restated
ASSETS			
Non-current assets			
Property and equipment	1	2 606	2 498
Intangible assets	2	2 076	1 878
Total non-current assets		4 682	4 376
Current assets			
Receivables from non-exchange transactions	3	31	601
Receivables from exchange transactions	4	11 515	9 588
Cash and cash equivalents	5	1042 573	1 126 578
Total current assets		1 054 119	1 136 767
Total assets		1 058 801	1 141 143
LIABILITIES			
Current liabilities			
Payables from non-exchange transactions	6	179 454	138 885*
Payables from exchange transactions	7	7 213	9 615
Provisions	8	14 480	85 400*
Total liabilities		201 147	233 900*
NET ASSETS		857 654	907 243*
NET ASSETS AND LIABILITIES			
Funds and reserves			
Administration reserve		4 682	4 376
Employer grant reserve		260	137
Discretionary reserve		852 712	902 730*
TOTAL FUNDS RESERVES		857 654	907 243*

*The prior year figures have been restated as disclosed in note 29

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
	Notes	R'000	R'000
REVENUE			Restated
Skills development levy: income from non-exchange transactions	10	1 094 007	936 256
Skills development levy: penalties and interest income from non-exchange transactions	11	1 812	8 537
Total revenue from non-exchange transactions		1 095 819	944 793
Investment revenue from exchange transactions	12	98 297	75 638
Other revenue from exchange transactions	13	295	121
Total revenue from exchange transactions		98 592	75 759
Total revenue		1 194 411	1 020 552
EXPENSES			
Employer grant expenses	14	(257 952)	(228 570)
Discretionary grant expenses	14	(882 785)	(791 861)*
Administration expenses	15	(103 263)	(98 830)
Total expenses		(1 244 000)	(1 119 261)*
NET (DEFICIT) FOR THE PERIOD	16	(49 589)	(98 709)*

*The prior year figures have been restated as disclosed in note 29

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2024

Notes	Administration Reserve	Employer Grant Reserve	Discretionary Reserve	Unappropriated Surplus/(Deficit)	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2022	3 451	111	1 002 390	-	1 005 952*
Summary movement - Year ended 31 March 2023					
Restated net deficit for the year	-	-	-	(98 709)	(98 709)*
Allocation of unappropriated surplus -restated	24 175	5 454	(128 338)	98 709	-
Excess reserves transferred to discretionary reserve	(23 250)	(5 428)	28 678	-	-
BALANCE AT 31 MARCH 2023 RESTATED	4 376	137	902 730	-	907 243 *
Summary movement - Year ended 31 March 2024					
Net deficit for the period	-	-	-	(49 589)	(49 589)
Allocation of unappropriated deficit 9	36 188	7 139	(92 916)	49 589	-
Excess reserves transferred to discretionary reserve 9	(35 882)	(7 016)	42 898	-	-
BALANCE AT 31 MARCH 2024 25	4 682	260	852 712	-	857 654

* The prior year figures have been restated as disclosed in note 29.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
	Notes	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from skills development levy; income from non-exchange transactions (Including interest and penalties)		1 061 960	944 919
Other revenue from non- exchange transactions - mandatory grants		135	84
Cash paid to stakeholders and suppliers		(1 172 898)	(1 035 592)
Cash paid for employee costs		(68 425)	(62 357)
Cash (utilised in)/ generated from operations	16	(179 228)	(152 946)
Investment revenue from exchange transactions received	12.1	99 068	68 504
Net cash (outflow)/inflow from operating activities		(80 160)	(84 442)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(951)	(1 178)
Purchase of intangible assets	2	(3 149)	(460)
Proceeds on disposals of fixed assets		255	82
Net cash outflow from investing activities		(3 845)	(1 556)
Net (decrease)/ increase in cash and cash equivalents		(84 006)	(85 998)
Cash and cash equivalents at the beginning of the period	5	1 126 578	1 212 576
Cash and cash equivalents at the end of the period	5	1 042 573	1 126 578

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Notes		Full Year Approved Final Budget	Budget Adjustments	Final Adjusted Budget	Actual Income/ (Expenditure)	Variances
		R'000	R'000	R'000	R'000	R'000
REVENUE						
Skills development levy transfer from non - exchange transactions	28.2	947 000	113 770	1 060 770	1 094 007	(33 237)
Skills development levy penalties and interest from non - exchange transactions	28.3	-	-	-	1 812	(1 812)
Investment revenue from exchange transactions	28.4	46 380	33 620	80 000	98 297	(18 297)
Other revenue from exchange transactions		120	-	120	295	(175)
Total Revenue		993 500	147 390	1 140 890	1 194 411	(53 521)
EXPENSES						
Employer grant expenses	28.5	(234 384)	(20 000)	(317 215)	(257 384)	3 568
Discretionary grant expenses	28.1 & 28.6	(684 822)	(515 178)	(1 200 000)	(882 785)	(317 215)
Administration expenses	28.7	(124 294)	(345 178)	(134 794)	(103 263)	(31 531)
Total Expenses		(1 043 500)	(545 678)	(1 589 178)	(1 244 000)	(398 699)
NET (DEFICIT)/SURPLUS FOR THE PERIOD	28.1.2	(50 000)	(398 288)	(448 288)	(49 589)	(398 699)

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

The BANKSETA Accounting Authority and the Executive Authority, DHET approved the original budget and the revised budgets.

National Treasury approved the original budgeted deficit of R50 000 000.

The budgeted deficit above R50 000 000 is funded from BANKSETA's accumulated prior year surpluses housed in the discretionary grant reserves that amounted to R902 730 000 in the prior year.

The National Treasury approved that BANKSETA retain its 2022/23 surplus and its utilisation towards 2023/24 discretionary grant expenditure.

The BANKSETA applied only R398 000 000 of this surplus which is within its reserves to fund part of its discretionary grant budget adjustment during the 2023/24 year.

The resultant increase in the budget deficit was therefore to be funded from the reserves.

The SETA accounts on an accruals basis in line with GRAP standards therefore the approved surplus is not shown as income in the above summary, but instead it led to an increase of R398 299 000 in the budget deficit.

Please refer to note 28.1 for explanations on the budget and budget adjustment.

The BANKSETA considers the R398 699 000 variance as unfavourable as SETAs aim to not accumulate funds but to utilise all budgets in that year.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

ACCOUNTING POLICIES

1. Basis of Preparation

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

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

2. Going Concern

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

3. Significant Judgements, Estimates and Sources of Uncertainty

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

3.1 Receivables from exchange transactions

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

3.2 Receivables from non-exchange transactions

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

Should SARS revise the levy information from prior years by increasing those levy amounts, the additional grants due are paid and accounted for in the current year.

3.3 Payables from exchange transactions

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

3.4 Payables from non-exchange transactions

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

3.5 Fair value estimation

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

ACCOUNTING POLICIES

3. Significant Judgements, Estimates and Sources of Uncertainty (continued)

3.6 Impairment testing

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

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

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

3.7 Provisions

Management raised provisions determined on estimates based on the information available at the date of issue of the Annual Financial Statements.

Additional disclosures of these estimates of provisions is included in note 8 - Provisions.

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

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

3.9 Discounting

The BANKSETA reviews and considers the effect of discounting on current assets and liabilities.

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

4. Currency

4.1 Functional currency

These financial statements are presented in South African Rands. All figures have been rounded off to the nearest thousand Rands, (R'000s) unless otherwise stated. South African Rand is the functional currency of the BANKSETA.

4.2 Foreign currency

A foreign transaction is a transaction that is denominated, or that requires settlement, in a foreign currency.

On initial recognition, a foreign currency transaction is recorded at the spot exchange rate prevailing at the transaction date.

Foreign exchange assets are liabilities are classified as monetary or non-monetary items.

Monetary items are subsequently measured by using the closing rate at the reporting date. BANKSETA does not have non-monetary foreign currency assets and liabilities.

ACCOUNTING POLICIES

5. Revenue Recognition

5.1 Revenue from non-exchange transactions

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

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

5.1.1 Levy income

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

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

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

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

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

Exempt registered member companies of the SETA

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

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

Levy income is recognised on the accrual basis.

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

ACCOUNTING POLICIES

5. Revenue Recognition (continued)

5.1.2 Adjustments to levy, penalties and interest income previously recognised.

SDL is levied and collected by the South African Revenue Services (SARS) in terms of the Income Tax Act.

SARS has review processes to assess if the revenue charged was correctly and completely charged/declared in terms of the prescribed taxation and levy rates and on the correct basis. This may result in SARS itself identifying that the levies collected needs adjustment. Levy payers may also through their own processes identify need for such levy adjustments. Declaration, appeal or objection process undertaken in terms of legislation or similar means, may result in adjustments being passed to levies already collected. Such adjustments may be made up to seven years after the levy is charged and/or collected. SARS passes all such adjustments to levies through DHET to the relevant SETA. When settling the levy receipts with the SETA, SARS nets off such levy adjustments against current levy receipts. The BANKSETA therefore receives its levies funds monthly net of all levy adjustments. The levy information, however, splits up levies amounts between the adjustments and current levies showing the correct months and years that the transactions relate to, to facilitate accurate accounting.

Adjustments to levy revenue already recognised, arises from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition. The adjustments to levy or levy interest and penalty revenue already recognised in prior years, following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate, and not as a correction of an error."

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. Such revisions of accounting estimates in terms of levy income are disclosed in the analysis of levy income in the notes to the financial statements. The principles in GRAP 3 are applied to account for a change in an accounting estimate.

Prior period errors are disclosed in line with GRAP 3.

5.1 Revenue from non-exchange transactions

5.1.3 Levy Interest and penalties

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

SARS levies interest and penalties on late payments of levies or incorrect declarations, and passes the interest and penalties to the relevant SETA. Therefore any adjustments in penalties and levies arising from SARS own review processes of amounts charged or levy payers declaration, appeal or objections processes are also passed onto the relevant SETA. Such adjustments may be made up to seven years after the levy is charged and/or collected. SARS nets off such interest and penalties adjustments against current interest and penalty receipts. The BANKSETA therefore receives its interest and penalties amounts monthly net of all interest and penalties adjustments.

SETAs account for penalties and interest on levy income either on allocation by DHET or receipt of the levy income. Therefore SARS (via DHET) makes the accounting estimates of the initial penalties and interest levy income recognised. The BANKSETA has no responsibility for completeness of penalties and interest revenue and may not raise such debtors or creditors for any interest or penalties paid or due by any levy payer in their sector until SARS (via DHET) has allocated or paid the penalties or interest to the SETA, in terms of the accounting policy as approved by National Treasury for SETAs.

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. Such revisions of accounting estimates in terms of levy income are disclose in the analysis of levy income in the notes to the financial statements.

ACCOUNTING POLICIES

5. Revenue Recognition (continued)

5.2 Revenue from exchange transactions

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

5.2.1 Investment revenue from exchange transactions

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

6. Expenditure

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

6.1 Mandatory/employer grants

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

6.1.1 Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of mandatory grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in mandatory grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such mandatory grant overpayment, net of bad debts and provision for irrecoverable amounts.

6.2 Discretionary grants

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

6.1.2 Discretionary project expenditure

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

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

Discretionary project expenditure comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

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

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

ACCOUNTING POLICIES

6. Expenditure (continued)

6.3 Administration expenditure

The Skills Development Levies Act (Act No. 9 of 1999, as amended) stipulates that a maximum of 10% of the levy income for the sector may be used for the SETA's operational administration expenses. An additional maximum of 0.5% of the sector levy income is contributed by the SETA to the Quality Council for Trade and Occupations (QCTO) to fund the QCTO's activities. The Minister determines the annual QCTO contribution.

In exceptional circumstances and on application by the SETA, the Minister may approve that the SETA exceed the 10.5% administration expense limit. In cases where the SETA has exceeded this administration expense limit without prior approval, the SETA may apply to the Minister for condonation.

7. Property and Equipment

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

The assets are used for service delivery and not for any commercial gain. BANKSETA has classified these as non-cash generating assets in line with the GRAP standard that states that an entity shall designate an asset as non-cash generating when its objective is not to use the asset to generate a commercial return but to deliver services.

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

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

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as of the date of acquisition. Property and equipment are initially recognised at cost and subsequently at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

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

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

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

- | | |
|---------------------------------|---------------------|
| • Computer equipment | 3 to 15 Years |
| • Office furniture and fittings | 10 to 25 Years |
| • Office equipment | 5 to 22 Years |
| • Other movable assets | 4 to 10 Years |
| • Leasehold improvements | over the lease term |

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

BANKSETA derecognises property and equipment assets when it disposes of the assets or alternatively does not consume economic benefits or service potential from those assets.

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

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

ACCOUNTING POLICIES

7. Property and Equipment (continued)

7.1 Impairment of assets

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

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

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

The calculation method applied is the depreciated replacement method.

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

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

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

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

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

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

8. Intangible Assets

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

The assets are used for service delivery and not for any commercial gain. BANKSETA has classified these as non-cash generating assets in line with the GRAP standard that states that an entity shall designate an asset as non-cash generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An intangible asset is recognised when:

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

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

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

The following useful lives are used in the calculation of amortisation

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

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

ACCOUNTING POLICIES

8. Intangible Assets (continued)

BANKSETA derecognises intangible assets when it disposes of the assets or alternatively does not consume economic benefits or service potential from those assets.

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

8.1 Impairment of intangible assets

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

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

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

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

The calculation method applied is the amortization replacement method.

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

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

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

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

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

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

9. Leasing

Leases are classified as finance leases where a contract substantially transfers all the risks, rewards with rights associated with ownership of an asset to the lessee in this case being BANKSETA. All other leases are classified as operating leases.

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

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

10. Provisions

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

ACCOUNTING POLICIES

10. Provisions (continued)

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

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

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

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

11. Employee Benefits

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

Short-term employee benefits include items such as:

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

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

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

Post-employment benefits

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

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

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

- as a liability (accrued expense), and
- as an expense, unless another standard requires or permits the inclusion of the contribution in the cost of an asset.

ACCOUNTING POLICIES

12. Grants and Projects

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

Discretionary projects

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

12. Grants and Projects

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

13. Financial Instruments

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

13.1 Financial assets

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

Class

- Cash and cash equivalents
- Receivables from exchange transactions

Category

- Financial asset measured at amortised cost
- Financial asset measured at amortised cost

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

The SETA recognises financial assets using trade date accounting.

Cash and cash equivalents

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

Loans and receivables

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

Effective interest method

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

ACCOUNTING POLICIES

13. Financial Instruments (continued)

Impairment of financial assets

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

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

Fair value considerations

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

Offsetting

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

13.2 Financial liabilities

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

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

Class

- Trade and other payables from exchange transactions

Category

- Financial liability measured at amortised cost

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

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

13.3 Derecognition

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

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

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ACCOUNTING POLICIES

14. Segment Reporting

In terms of GRAP 18, a segment is an activity of the entity :

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

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

The BANKSETA does not have activities or units that meet the definition of a 'Segment' per the Accounting Standard. The BANKSETA's administrative units and functional departments do not undertake activities that generate economic benefits or service potential separately from the SETA as a whole. Management has assessed that the BANKSETA operates as one segment both from a service and geographical view point.

Management is of the opinion that the standard is therefore not applicable to the BANKSETA.

15. Reserves

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

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

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	2023/24 %	2022/23 %
Administration costs of the SETA	10.5	10.5
Employer grant fund Levy	20.0	20.0
Discretionary grants and projects	49.5	49.5
Received by the SETA	80.0	80.0
Contribution to the National Skills Fund	20.0	20.0
	100.0	100.0

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

DHET continued to show the mandatory levy portion as 20% in the 2023/24 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in the 2023/24 year in the absence of the revised percentage, as 20% is the amount aligned to the approved annual performance plan. the SETA board has ratified the utilisation of 20% while awaiting the Minister's decision.

The mandatory grants expenditure in Note 14 as well as the mandatory grant liability in note 7 were calculated using the mandatory grant percentage of 20%.

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ACCOUNTING POLICIES

15. Reserves (continued)

The BANKSETA also discloses a contingent liability (Note 17.3) in regard to the amount of the mandatory grant payable to qualifying levy payers.

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

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

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

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

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

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

Should the Minister approve that a SETA exceed the 10.5% administration expense limit, the excess would be funded from discretionary grant reserves.

16. Commitments

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

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

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

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

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

The availability of funds for that year and approval by the board. The SETA only discloses the commitment of the year where all suspensive conditions have been met as a commitment. The amounts that are still subject to suspensive conditions are not disclosed.

17. Related Parties

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

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

Representation of individuals and employer/labour representatives to the Accounting Authority Body, committees of the Accounting Authority or other equivalent body are not considered as exerting significant influence.

ACCOUNTING POLICIES

17. Related Parties (continued)

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

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

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

18. Presentation of Budget Information in the Financial Statements

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

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

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

The budget covers the period 1 April 2023 to 31 March 2024 and has been prepared on the accrual basis of accounting.

19. Irregular and Fruitless and Wasteful Expenditure

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

- The PFMA,
- The Skills Development Act (the Act), 1998 (Act No.97 of 1998) as amended
- Instructions and circulars issued by the National Treasury

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

In line with National Treasury Instruction no 4 of 2022/23, irregular expenditure and fruitless and wasteful expenditure is recognised in the notes to the annual financial statements when confirmed after assessment. The BANKSETA recognises:

- irregular expenditure and fruitless and wasteful expenditure incurred and confirmed during the current year, unless it is impractical to determine then a note to that effect is shown, and
- payments made as it relates to multi-year contracts.

The amounts recognised in prior year include:

- amounts confirmed in that financial year,
- amounts that were under assessment in that financial year and confirmed in the current financial year, and
- amounts that were not identified and are identified and confirmed in the current financial year.

Current year irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which they are incurred. The expenditure is classified in accordance with the nature of the expense, and wherever recovered in the same accounting period, it is shown net of any recoveries. Wherever it is recovered in a subsequent financial year, it is accounted for against the expense if the project is not completed or as revenue in the statement of financial performance if the project is completed.

Where an instance of irregular expenditure or fruitless expenditure has been identified, the incident is recorded in the register, investigated and reported to the board.

ACCOUNTING POLICIES

19. Irregular and Fruitless and Wasteful Expenditure (continued)

The recovery process is implemented, and if irrecoverable, condonation and removed in terms of the National Treasury Irregular Expenditure Framework is effected.

In line with National Treasury Instruction no 4 of 2022/23, only current year irregular expenditure is derecognised when it is either recovered or condoned by National Treasury in that year, or in cases where National Treasury has declined to condone, removed by the Accounting Authority.

Prior year irregular expenditure is derecognised in the Financial Statements in line with National Treasury instructions no 4 of 2022/23.

Current year fruitless and wasteful expenditure is removed from the notes to the financial statements when it is either recovered, or removed by the Accounting Authority in line with the framework issued by National Treasury.

20. Comparative Figures

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

21. Taxation

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

22. Events After the Reporting Date

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

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. PROPERTY AND EQUIPMENT

	Cost	Accumulated Depreciation	Closing Carrying Amount
Year ended 31 March 2024	R'000	R'000	R'000
Computer equipment	4 724	(3 405)	1 319
Office furniture and fittings	2 096	(1 552)	544
Office equipment	1 671	(1 565)	106
Other movable assets	243	(18)	225
Leasehold improvements	656	(244)	412
Balance at end of period	9 390	(6 784)	2 606
Made up as follows:			
- Owned assets	9 390	(6 784)	2 606
Year ended 31 March 2023			
Computer equipment	4 145	(2 904)	1 241
Office furniture and fittings	2 073	(1 564)	509
Office equipment	1 663	(1 469)	194
Other movable assets	77	(3)	74
Leasehold improvements	656	(176)	480
Balance at end of period	8 614	(6 116)	2 498
Made up as follows:			
- Owned assets	8 614	(6 116)	2 498

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. PROPERTY AND EQUIPMENT (CONTINUED)

Movement Summary 2023/24 - Year Ended 31 March 2024

	Carrying Amount 31 March 2023	Additions	Disposals	Depreciation	Carrying Amount 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Computer equipment	1 241	813	(56)	(679)	1 319
Office furniture and fittings	509	163	(31)	(97)	544
Office equipment	194	8	-	(96)	106
Other movable assets	74	165	-	(14)	225
Leasehold improvements	480	-	-	(68)	412
Balance at end of period	2 498	1 149	(87)	(954)	2 606

Movement Summary 2022/23 - Year Ended 31 March 2023

	Carrying Amount 31 March 2022	Additions	Disposals	Depreciation	Carrying Amount 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Computer equipment	1 499	221	(47)	(432)	1 241
Office furniture and fittings	574	45	-	(110)	509
Office equipment	218	-	-	(24)	194
Other movable assets	-	77	-	(3)	74
Leasehold improvements	548	-	-	(68)	480
Balance at end of period	2 839	343	(47)	(637)	2 498

BANKSETA has incurred no repairs and maintenance costs on these assets.

Computer equipment with original cost of R257 000, and accumulated depreciation of R191 000 was stolen or reported missing during the year. Proceeds on those assets amounted to R65 000.

BANKSETA also suffered flood water damage on furniture and fittings with a book value of R141 000 and accumulated depreciation of R109 000. Insurance proceeds amounted to R183 000 on those assets.

At year end, the BANKSETA had assets held for disposal with an original cost of R1 510 000 and net book value of R6 000.

These assets are approved for disposal however still in use

The BANKSETA had no contractual commitments at year-end for acquisitions of any property and equipment.

BANKSETA has no restriction or encumbrances on its assets.

R45 000 (2022:23 - R0) of the additions to property and equipment were paid for in the 2024/25 year and is therefore excluded from the amount shown in the Cashflow Statement for purchased of property and equipment.

1.1 Change in useful lives

The re-assessment of the useful lives will be performed post the reporting date.

The fixed asset register is available at the BANKSETA's registered office for inspection

Useful lives of property and equipment are re-assessed each financial year and prior adjustments have not been material.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. INTANGIBLE ASSETS

	Cost	Accumulated Amortisation	Closing Carrying Amount
	R'000	R'000	R'000
Year ended 31 March 2023			
Application software	2 189	(113)	2 076
Balance at end of period	2 189	(113)	2 076
Made up as follows:			
- Owned assets	2 189	(113)	2 076

Year ended 31 March 2023

Application software	2 362	(484)	1 878
Balance at end of period	2 362	(484)	1 878
Made up as follows:			
- Owned assets	2 362	(484)	1 878

Movement Summary 2023/24 - Year Ended 31 March 2024

	Carrying Amount 31 March 2023	Additional	Disposals	Amortisation	Carrying Amount 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Application software	1 878	2 189	-	(1 991)	2 076

Movement Summary 2022/23 - Year Ended 31 March 2023

	Carrying Amount 31 March 2023	Additional	Disposals	Amortisation	Carrying Amount 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Application software	612	1 966	-	(700)	1 878

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 15, administration expenditure.

Fully depreciated assets with an original cost of R2 361 000 were disposed off during the year, as the licences had expired.

The fixed asset register is available at the BANKSETA's registered office for inspection BANKSETA incurred no repairs and maintenance expenditure on these assets.

The BANKSETA has contractual commitments for acquisitions of intangible assets of R1 602 000 (USD85 000) until 2026.

BANKSETA has no restriction or encumbrances on their assets

Included in the amount for purchases of Intangible assets in the Cashflow Statement is an amount of R1 541 000 (2022:23-R0) that represents intangible asset bought in the prior year, but only paid for in the current year.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Notes	2023/24	2022/23
		R'000	R'000
Employer receivables	3.1	31	601
Receivables from non-exchange transactions		31	601

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

The receivables from non-exchange transactions are not classified as financial instruments.

3.1 Employer receivable

	Notes	2023/24	2022/23
		R'000	R'000
Employer receivables			
Overpayment to employers		514	1 120
Allowance for impairment		(483)	(519)
Net effect of SARS retrospective adjustments on affected employers		31	601

R512 000 employer receivables (2022/23 : R1 120 000) was recognised as a receivable relating to the overpayment to employers in earlier periods, and is based on the amount of such grant over payments, Of the R512 000 employer receivables amount, R483 000 is impaired and R29 000 is not impaired

Reconciliation of impairment allowance on employer receivable

ing balance : Impairment of employer receivable

Change In estimate

Change In estimate

Recovered/reversed

Closing balance: impairment allowance on employer receivable

	(519)	(534)
	-	-
	-	-
	36	15
	(483)	(519)

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2023/24	2022/23
	R'000	R'000
Receivables from exchange classified as financial instruments		
Deposits	3 715	389
Staff advances and payroll receivables	38	91
Interest receivables	6 505	7 276
Net other receivables	37	650
Other receivables	45	658
Allowance for impairment	(8)	(8)
Total receivables from exchange classified as financial instruments	10 295	8 406
Receivables from exchange not classified as financial instruments		
Prepaid expenses	1 220	1 182
Total receivables from exchange not classified as financial instruments	1 220	1 182
	11 515	9 588

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

Reconciliation of impairment allowance on other receivables		
Opening balance : Impairment of other receivables	(8)	-
Addition	-	(8)
Closing balance : impairment allowance on employer receivable	(8)	(8)

Included in the 2023/24 year deposit figure of R3 715 000 is an amount of R3 300 000 deposited with the Court Sheriff as a condition for BANKSETA to appeal a ruling in a labour matter. The contingent liability for the labour case amounts to R1 864 000 and is included under note 17.3.2 on contingent liabilities in regard to employee claims.

5. 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 Statement of Financial Position as follows:

	2023/24	2022/23
	R'000	R'000
Cash at bank and on hand	18 449	67 212
Cash at bank	18 445	67 211
Cash on hand	4	1
Short term investments/instruments	1 024 123	1 059 366
Cash and cash equivalents at end of year	1 042 573	1 126 578

As required in Treasury Regulation 31.2, National Treasury approved the banks and investments where the bank accounts are held. The weighted average interest rate on short term bank deposits of the year ended 31 March 2024 was 8.71% (2022/23 -6.12%)

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.

National Treasury clarified that SETAs should invest in line with the Skills Development Act (SDA) which directs that surplus funds should be invested in fixed deposits, permanent shares or savings accounts in any financial institution in South Africa.

BANKSETA has invested its surplus funds in fixed deposits and the CPD. National Treasury has approved the banks where the fixed deposits are held. BANKSETA is compliant with legislation.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2023/24	2022/23
	R'000	R'000
		Restated
Skills development grants payable - mandatory	18 767	18 348
Employer payables	12	32
Project grants payable - Discretionary	160 675	120 505*
	179 454	138 885*

The effect of discounting was considered and found to be immaterial.
Only the Project grants payable - Discretion are classified as financial payables
* The prior year figures have been restated as disclosed in note 29

7. PAYABLES FROM EXCHANGE TRANSACTIONS

	2023/24	2022/23
	R'000	R'000
Salary related payables	337	314
Sundry payables	6 876	9 301
Trade payables	2 059	4 719
Other accrued expenses	1 890	1 777
Leave accrual	2 927	2 805
	7 213	9 615

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

8. PROVISIONS

	Opening Balance	Reclassified to Accruals	Over/under Provision	Addition	Paid/ Reversed	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000
2023/24 Year ended 31 March 2024						
Levies incorrectly received*	1 544	-	-	-	(89)	1 455
Provision for incentive bonus**	12 500	-	(3 000)	12 382	(9 009)	12 873
Levy funds received in excess of allocation per levies files***	33 770	-	-	-	(33 770)	-
Provision for discretionary grant expenditure ****	37 586	-	-	152	(37 586)	152
Total as at 31 March 2024	85 400	-	(3 000)	12 534	(80 454)	14 480

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. PROVISIONS (CONTINUED)

	Opening Balance	Reclassified to Accruals	Over/under Provision	Addition	Paid/ Reversed	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
2022/23 Year Ended 31 March 2023 (Restated)						
Levies incorrectly received*	1 418	-	-	126	-	1 544
Provision for incentive bonus**	9 311	-	1 739	12 500	(11 050)	12 500
Levy funds received in excess of allocation per levies files***	33 770	-	-	-	-	33 770
Provision for discretionary grant expenditure ****	56 901	(43 224)	-	23 908	-	37 586*
Total as at 31 March 2024	101 400	(43 224)	1 739	36 534	(11 050)	85 400

*Prior year figures are restated as disclosed in note 29.

¶In terms of Skills Development Circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190(4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular. The timing of settlement of this provision is uncertain as it is dependent on the operation of the SARS collection system.

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

***Levy funds received in excess of allocations per levies files refers to the amount of levies which BANKSETA received in excess of the levy amounts substantiated in the levy files.

SARS collects levies from levy payers through the PAYE system. SARS directs the levies to DHET who in turn pay 80% of the levies to the SETAs. The levy collection system is administered by SARS and has no mechanisms or provision for SETAs to repay any excess funds paid. The BANKSETA await DHET to collect the excess levies on SARS instruction or for the excess amounts to be netted off another period's levy allocation.

The BANKSETA has therefore communicated with DHET and the main levy payers impacted by this to take up the matter with SARS.

****The BANKSETA enters into Memorandum of Agreement (MoAs) with stakeholders to deliver skills training and development within their workplaces and institutions of higher education over periods ranging from 6 months to 36 months.

The BANKSETA receives the relevant documents and performance information in regard to this skills development and training including proof that milestones which BANKSETA has contracted to pay for in the MoAs have been achieved.

This provision is for performance information received in regards to training which is still under verification at year end.

The amount of the liability and the timing of the payment are uncertain at the point the annual financial statements were issued due to the verification work still being in process.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. ALLOCATION OF NET SURPLUS/(DEFICT) FOR THE PERIOD TO RESERVES:

		Administration Reserve	Employer Grants Reserve	Discretionary Reserve	
	Total per Statement of Financial Performance 2023/24	Administration Reserve 2023/24	Mandatory Skills Grant 2023/24	Total Discretionary 2023/24	Total per Statement of Financial Performance 2022/23
	R'000	R'000	R'000	R'000	R'000
					Restated
Skills development levy: income from non-exchange transactions					
Employer Grant levy income (20%)	265 091	-	265 091		234 024
Discretionary Grant levy income (49,5%)	689 760	-	-	689 760	579 348
Admin levy income (10,5%)	139 156	139 156	-	-	122 884
Skills development levy: penalties and interest income from non-exchange transactions	1 812	-	-	1 812	8 537
Skills development levy: income from non-exchange transactions	1 095 819	139 156	265 091	691 572	944 793
Investment revenue from exchange transactions	98 297	-	-	98 342	75 638
Other revenue from exchange transactions	295	295	-	-	121
Total revenue	1 194 411	139 451	265 091	789 914	1 020 552
Administration expenses	(103 263)	(103 263)	-	-	(98 830)
Employer grants	(257 952)	-	(257 964)		(228 570)
Discretionary grant expenses	(882 785)	-		882 785)	(791 861)
Total expenses	(1 244 000)	(103 263)	(257 964)	(882 785)	(1 119 261)
Net Surplus/(Deficit) per Statement of Financial Performance Allocated	(49 589)	36 188	7 127	(92 916)	(98 709)

* Prior year figures are restated as disclosed in note 29.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. KILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS

	Notes	2023/24	2022/23
		R'000	R'000
The total levy income per the Statement of Financial Performance is as follows:			
Levy income: Administration		139 156	122 884
Levies received from SARS	10.1	139 156	122 884
Levy income: Employer (Mandatory) Grants		265 091	234 024
Levies received from SARS	10.1	265 091	234 024
InterSETA transfers in		-	-
Levies accrued		-	-
Levy income: Discretionary Grants		689 760	579 348
Levies received from SARS	10.1	655 991	579 348
Prior year levy receipt amounts that resulted in an Imbalance between the levy data and cash receipts recognised as levies.		33 770	-
Total levies income		1 094 007	936 256

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. KILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

10.1. Adjustments to levy revenue

Prior year levy adjustments are reversals of levy income recognised in prior years. These adjustments may arise from SARS own internal review processes or objections/appeal processes and restatements made by the levy payer. SARS and DHET inform the SETA about levies received and any levy reversals through the levy download files. SARS reverses the levies sent to the SETA in prior years for the impacted levy payers, and pays the SETA current year levies net of all prior year reversals.

Such levy reversals or adjustments are treated as changes in accounting estimates and adjusted prospectively.

The impact on levy income is as follows:

	Notes	2023/24	2022/23
		R'000	R'000
Net levies received: administration			
Levies received		139 144	124 389
Deduct: Prior year levy adjustments included in levy receipts		12	(1 505)
Net levies received: administration	10	139 156	122 884
Net levies received: mandatory			
Levies received		265 069	236 347
Deduct: Prior year levy adjustments included in levy receipts		22	(2 323)
Net levies received: mandatory	10	265 091	234 024
Net levies received: discretionary			
Deduct: Prior year levy adjustments included in levy receipts		55	(7 044)
Prior years levy receipts that resulted in an Imbalance between the levy data and cash receipts recognised as levies in current year.		33 770	-
Net levies received: discretionary	10	689 760	579 348

11. SKILLS DEVELOPMENT LEVY PENALTY AND INTEREST INCOME FROM NON-EXCHANGE TRANSACTIONS

	Notes	2023/24	2022/23
		R'000	R'000
Skills development levy penalties and Interest income - current year		1 812	8 537
Total Skills development levy penalties and Interest income		1 812	8 537

There were no adjustments/ reversals in the current year of penalties and interest income recognised in prior years.

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12. INVESTMENT REVENUE FROM EXCHANGE TRANSACTION

	Notes	2023/24	2022/23
		R'000	R'000
Interest Revenue			
Interest revenue from current year received as cash during the year		91 792	68 362
Receivable		6 505	7 276
		98 297	75 638

12.1. Cashflow from interest revenue

Portion of Interest revenue in current year received as cash during the year		91 792	68 362
Portion of interest revenue in prior year received as cash during the current year		7 276	142
		99 068	68 504

13. OTHER REVENUE

	Notes	2023/24	2022/23
		R'000	R'000
Other revenue comprises:			
Other Income			
Mandatory grants received		135	84
Profit on disposal of property and equipment		160	37
		295	121

14. EMPLOYER GRANT AND DISCRETIONARY GRANT EXPENSES

	Notes	2023/24	2022/23
		R'000	R'000
Disbursed		257 368	229 980
Provisions and accruals		584	(1 410)
Employer grant expenditure		257 952	228 570
Discretionary grant expenditure	18.1	882 785	791 861
Total employer grant and discretionary grant expenses		1 140 737	1 020 431

Discretionary grant expenditure is used for discretionary grant projects. Such project expenditure comprises of training grants to stakeholders and higher education institutions, bursaries, stipends and training.

Refer to note 18 for more detailed information on these projects.

*Prior year figures are restated as disclosed in note 29.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

15. ADMINISTRATION EXPENSES

	Note	2023/24	2022/23
		R'000	R'000
Advertising, marketing and promotions, communication		1 040	1 720
Allowance for irrecoverable debts		(36)	(7)
Audit Fees		4 978	4 501
External Audit Fees		3 116	3 064
Internal audit fees		1 862	1 437
Catering at stakeholder meetings		67	70
Consultancy fees		275	349
Cost of employment	15.1	65 720	65 135
Depreciation/Amortisation		2 945	1 337
Depreciation	1	954	637
Amortisation	2	1 991	700
Legal fees		383	292
Maintenance, repairs and running costs - other		215	127
Foreign Exchange Loss		71	-
Operating lease rentals (minimum lease payments)		4 080	4 075
Buildings		3 964	3 965
Equipment		116	110
Quality Council for Trade and Occupations	22.2	6 224	5 826
Remuneration to members of the Accounting Authority and committees	23.3	3 124	3 924
Board Development Fees		85	151
Research costs		78	-
Service provider fees		8 264	5 018
Staff training and development		849	866
Travel and subsistence		1 136	617
Other		3 765	4 829
Other administration expenses		2 705	3 481
Printing and stationery		259	194
Telephone costs		455	823
Workshops		346	331
		103 263	98 830

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

15. ADMINISTRATION EXPENSES (CONTINUED)

15.1. Cost of employment

	Note	2023/24	2022/23
		R'000	R'000
Salaries and wages		57 456	57 415
Basic salaries		45 057	41 008
Performance awards		9 381	14 239
Allowances		162	241
Communication allowances		751	610
Leave expense		1 671	1 317
Employee settlement		434	-
Social contributions		8 264	7 720
Medical aid contributions		1 672	1 589
Pension contributions: defined contribution plans		5 165	4 849
Risk cover contributions		641	526
Skills Development Levies		550	533
Workmen's Compensation		87	79
UIF		149	144
		65 720	65 135
Allocation of cost of employment			
Administration expenses	15	65 720	65 135
Average number of employees		71	67

Refer to the Corporate Governance report for disclosure of the Accounting Authority members.

Notes 23 and 24 details the emoluments of the Accounting Authority members, independent board committee members and the Executive management group.

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16. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET (DEFICIT)

	Note	2023/24	2022/23
		R'000	R'000
Net (deficit)/surplus as per Statement of Financial Performance		(49 589)	(98 709) *
Adjusted for non-cash items:			
Depreciation/amortisation		2 945	1 337
Allowance for irrecoverable debts		(36)	(7)
Interest accrued at year end		(6 505)	(7 276)
(Profit)/loss on disposal of fixed assets		(160)	(37)
Adjusted for items separately disclosed			
Interest received	12.1	(99 068)	(68 504)
Adjusted for working capital changes:			
(Increase)/decrease in receivables from non-exchange transactions		570	(991)
(Increase)/decrease in receivables from exchange transactions		4 578	116
(Decrease)/Increase in payables and provisions		(31 963)	21 125 *
Cash (utilised in) / generated from operations		(179 228)	(152 946)

*Prior year figures are restated as disclosed in note 29.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CONTINGENCIES

17.1 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 be denied.

The total surplus per current legislation is calculated in line with National Treasury instruction no 12 of 2020.

Note	2023/24	2022/23
	R'000	R'000
		Restated
Cash and cash equivalents at the end of the year	1 042 573	1 126 578
Add: receivables	11 546	10 189
Less: current liabilities	(201 147)	(233 900)*
Total surplus per current legislation	852 972	902 867*

* Prior year figures are restated as disclosed in note 29.

After each year end, SETAs are required to submit their year end surplus retention applications to National Treasury through their Executive Authority, DHET. The surpluses mainly cover discretionary grant commitments entered into, where the work will be undertaken in the following years. The SETA Grant regulations require that SETAs be 95% committed at each financial year end. The SETAs may motivate to DHET to support their application to retain any surpluses if they have not reached this target.

BANKSETA's position in regards to commitments not included in the above surplus calculation is as follows:

Note	2023/24	2022/23
	R'000	R'000
Total surplus per current legislation	852 972	902 867*
Less: discretionary grant commitments	(577 463)	(829 288)*
Uncommitted surplus	275 509	73 579*
Total surplus per current legislation		

In October 2023, after the balance sheet date, the National Treasury has approved that BANKSETA retain its full surplus as calculated as at 31 March 2023.

The National Treasury has also approved the utilisation of the 2022/23 surplus to fund discretionary grant expenditure in the current year-2023/24.

*Prior year figures are restated as disclosed in note 29.

17.2 First time employer registrations

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

At the reporting date it is estimated that as a result, additional mandatory grant expenditure of R260 000 (2022/23:R137 000) will be payable. The amount is contingent on the number of submissions received and approved.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CONTINGENCIES (CONTINUED)

17.3 Contingent liability

17.3.1 Contingent liability in regards to mandatory grant percentage

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

The effect of the ruling is that the Minister would have to decide on the percentage for mandatory levies and grants in consultation with the sector. As of year-end, the Minister has not yet made the decision or communicated the process to determine a revised percentage.

DHET continued to show the mandatory levies portion as 20% in 2022/23 year in the levy download information.

The SETA continued to pay and accrue mandatory grants at 20% in the 2022/23 financial year in the absence of a revised percentage, as the 20% level is aligned to the approved annual performance plan. The board ratified the decision to continue to use the 20% level whilst awaiting the Minister's decision.

The mandatory levy income in note 10 and the mandatory grant expenditure in Note 14 as well as the mandatory grant liability in note 7 were calculated using mandatory levy and grant percentage of 20%.

The Skills Branch of DHET has established that there have been no further developments in relation to the BUSA case in the 2022/23 financial year or after year-end that are material to the matters or indicate any direction in regard to this matter.

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

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

The timing of this contingent liability is uncertain. Currently the department is in discussions with BUSA in regard to the mandatory grant percentage

DHET has also gazetted legislation for public comment which introduces a 15% workplace skills grant to employees with approved workplaces and a reduction in discretionary grant percentage from 49.5% to 34.5% and maintains mandatory grants at 20%.

No date has been set for the gazetting of the new legislation or the year it will come into effect.

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

No reliable estimate can be made of the contingent liability due to uncertainty of the new rate and the effective date of application of any new rate.

The BANKSETA has limited uncommitted reserves of R275 509 000 (2023/24-R73 579 000) to cover any liability after year end.

Should the outcome be that the BANKSETA must pay mandatory grants at a higher level since the court decision, the BANKSETA would be able to cover the amounts due to the long term payment schedules for discretionary grant commitments.

**BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CONTINGENCIES (CONTINUED)

17.3.2 Contingent liability in regards to employee claims

The BANKSETA is facing a claim by an employee for re-imbursement of legal costs incurred and damages as a result of defending disciplinary charges brought by the BANKSETA, which the BANKSETA then withdrew.

The BANKSETA is facing a second claim from a former employee for unfair dismissal.

Both cases are contingent on the outcome of an external labour arbitration processes which should be completed within the next 12 months. An estimate of the contingent liability is R3 406 000.

During the year, BANKSETA settled a case with another former employee disclosed in prior year annual financial statements for R434 000. The cost is included in 2023/24 employee costs

The BANKSETA has placed a surety bond deposit of R3 300 000 with the Sheriffs Division as disclosed in note 4. This was a condition to allow an appeal of one of the labour matters.

17.4 Contingent Commitments

In certain cases, the SETA enters into multi-year discretionary grant contracts to fund future training whereby the amounts for some are dependent on several suspensive conditions which normally include satisfactory execution of current year training, the BANKSETA's or the sector's continued need for the training, the availability of funds in those years and approval by the board to continue the project.

These are classified as contingent commitments.

There were no contingent commitment balances in the 2023/24 year and the prior year.

18. COMMITMENTS

18.1 Discretionary reserve

Of the balance of R852 712 000 (2022/23 - R902 730 000 available in the discretionary reserve as at year-end, R577 463 000 ('2022/23- R856 571 000) has been committed by the Accounting Authority for future projects and skills priorities shown below. Note that the definition of commitments by the Accounting Authority includes signed contracts and memoranda of agreements up to 31 March 2024. Amounts for expenses that have already been incurred, and therefore included in grant expenses in the Statement of Financial Performance.

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18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Adjustments for Increases to Existing Contracts 2022/23 Year	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
MARKETING							
Career Development Teachers	740 or 760	-	1 221	-	(586)	-	
Total Marketing Programmes	-	-	1 221	-	(586)	-	
PROGRAMME: RESEARCH							
Research and Benchmarking- Research Chairs Funding	644	1 060	-	-	(195)	-	
Gender Based Violence Partnership	688	-	3 948	-	(1 376)	-	
Research and Benchmarking 2022 - 23	0701	-	4 276	-	(1 350)	-	
Doctoral and Post-Doctoral Funding Window 2022	07420	-	1 479	-	(927)	-	
Impact Assessment and Tracer Studies Services	0748	-	-	-	-	-	
Total Research Programmes	-	1 060	9 703	-	(3 848)	-	

* Prior year figures are restated as disclosed in note 29.

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	635	-	635	-		(597)	(38)	-
	635	-	635	-	-	(597)	(38)	-
	865	-	865	-	-	-	-	865
	2 572	-	2 572	-	-	(1 078)	-	1 494
	2 926	(247)	2 679 *	-	-	(2 133)	(29)	517
	552	-	552	-	-	(665)	113	-
	-	-	-	3 583	-	(623)	-	2 960
	6 915	(247)	6 668	3 583	-	(4 499)	(84)	5 836

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Increases to Existing Contracts 2022/23	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
PROGRAMME: SKILLS DEVELOPMENT							
Cyber Security Internship	656	14 700	-	-	(12 985)	(1 715)	
PIVOTAL Grant Funding Window 2019	663	377	-	-		(377)	
PIVOTAL: Grant Funding Window	668	124 357	966	-	(45 293)	(39 285)	
IT SKILLS FUNDING WINDOW 2020- 21	684	1 638	-	-	(475)	(1 163)	
PIVOTAL Grant Funding Window for Employed	686	40 839	7 746	-	(15 881)	(10 037)	
Maths & Science Support Programme 2021/22	703	7 533	-	-	(7 392)	(141)	
Leadership Development Programme	706	18 400	-	-	(9 200)	-	
PIVOTAL Grant Funding Window 2021	707	76 870	2 600	-	(19 693)	(3 549)	
PIVOTAL Grant Funding Window - Employed	0707	-	5 405	-	(2 114)	-	
Reskilling Funding Window 2021-22	708	-	208	-	(77)	(131)	
IT Skills Funding Window 2021-22	709	1 459	-	-	(520)	(705)	
Skills for Future: Scholars 2021/22	721	9 450	-	-	(7 755)	(1 695)	
Doctoral and Post-Doctoral Funding Window	722	816	-	-	(816)	-	
PIVOTAL Funding Window 2022/2023	727	-	1 108	-	(665)	-	
Subtotal Skills Development	-	296 439	18 033	-	(122 866)	(58 798)	

* Prior year figures are restated as disclosed in note 29.

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	40 745	(24 479)	16 266*	294	-	(314)	(16 246)	-
	-	-	-	-	-	-	-	-
	22 667	(9 989)	12 678*	53	-	(952)	(11 779)	-
	-	-	-	-	-	-	-	-
	9 200	791	9 991*	-	-	(4 676)	-	5 315
	56 228	(38 499)	17 729*	-	-	(4 064)	(13 665)	-
	3 291	-	3 291*	1 763	-	-	(3 085)	1 969
	-	-	-	-	-	-	-	-
	234	(98)	136*	-	-	-	(136)	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	443	-	443	-	-	-	(443)	-
	132 808	(72 274)	60 534*	2 110	-	(10 006)	(45 354)	7 284

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18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Increases to Existing Contracts 2022/23	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
PROGRAMME: SKILLS DEVELOPMENT (CONTINUED)							
Online Short Courses Funding Window 2022/2023	730	-	9 056	-	(2 212)	(6 342)	
IT Skills Funding Window 2022-23	731	-	6 512	-	(4 397)	(1 728)	
Reskilling Funding Window 2022-23	732	-	17 960	-	(7 317)	(9)	
Doctoral and Post-Doctoral Funding Window 2023	0742	-	178	-	-	-	
Skills for Future: Scholars 2022-23	733	-	9 450	-	(7 425)	-	
PIVOTAL Grant Funding Window - Employed 2020/21 Youth	690	9 389	2 800	-	(4 949)	(2 040)	
PIVOTAL Grant Funding Window - Employed	0744	-	68 525	-	(2 984)	-	
Online Short Courses Funding Window 2023/24	0752	-	-	-	-	-	
PIVOTAL Grant Funding Window Employed - 2023/24	0757	-	-	-	-	-	
PIVOTAL Grant Funding Window Employed - 2021	699	-	2 000	-	(600)	-	
Reskilling Funding Window 2023/24	0758	-	-	-	-	-	
IT Skills Funding Window 2023/24	0759	-	-	-	-	-	
Doctoral and Post-Doctoral Funding Window	0764	-	-	-	-	-	
Total Skills Development	-	305 828	134 514	-	(152 750)	(68 917)	

* Prior year figures are restated as disclosed in note 29.

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	Closing Balance 31 March 2023 as Previously disclosed	Cumulative Restatement	Opening Balance 31 March 2023 Restated	New Commitments Approved 2023/24 Year	Adjustments for Increases to Existing Contracts 2023/24 Year	Charged to Statement of Financial Performance 2023/24 Year	Write Backs and Other Adjustments 2023/24 Year	Closing Balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	502	-	502	-	-	-	(502)	-
	387	(28)	359*	-	-	(199)	(160)	-
	10 634	(4 981)	5 653*	22 559	-	(11 972)	(4 641)	11 599
	178	-	178	-	-	-	(178)	-
	2 025	-	2 025	-	-	(1 964)	(61)	-
	5 200	(1 240)	3 960*	-	-	(720)	(3 240)	-
	65 541	(15 778)	49 763	56 073	-	(39 667)	(40 093)	26 076
	-	-	-	8 970	-	(2 700)	-	6 270
	-	-	-	178 213	-	(47 306)	(13 536)	117 371
	1 400	-	1 400	-	-	-	(1 064)	336
	-	-	-	12 100	-	(4 137)	-	7 963
	-	-	-	8 933	-	(2 734)	(2 059)	4 140
	-	-	-	2 436	-	(1 488)	-	948
	218 675	(94 301)	124 374	291 394	-	(122 893)	(110 888)	181 987

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Increases to Existing Contracts 2022/23	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
PROGRAMME: YOUTH							
BANKSETA Higher Education Funding Window	595	1 697	-	-	(98)	(1 599)	
TVET WIL Funding 2016/17	597	1 190	-	-	-	(1 190)	
University of Technology Funding Window	695	19 078	-	-	(14 966)	(4 112)	
TVET WIL Funding Window	697	71 706	-	-	(38 884)	-	
BANKSETA Higher Education Funding Window 2021/22	698	54 983	-	-	(46 211)	(8 387)	
PIVOTAL Grant Funding Window 2021	0699	17 344	-	-	(11 786)	(1 057)	
Letsema and Kuyasa Projects	702 and 0726	21 277	12 889	-	(24 586)	(1 690)	
NFSAS	718	1 918	-	-	(1 918)	-	
Presidential Youth Programme TVET Placement	0723	29 474	-	-	(19 844)	(10)	
Digital Transformation Lecturer Development	724	16 914	-	-	(8 714)	(8 200)	
Subtotal Youth Development	-	235 581	12 889	-	(167 007)	(26 245)	

* Prior year figures are restated as disclosed in note 29.

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	32 822	(31)	32 791*	-	-	(26 821)	(5 970)	-
	385	(385)	-	-	-	-	-	-
	4 501	(1 447)	3 054*	240	-	(1 968)	(1 326)	-
	7 890	-	7 890	-	-	(4 930)	(2 960)	-
	-	-	-	-	-	-	-	-
	9 620	-	9 620	-	16 680	(16 315)	(9 985)	-
	-	-	-	-	-	-	-	-
	55 218	(1 863)	53 355*	240	16 680	(50 034)	(20 241)	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Increases to Existing Contracts 2022/23	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
PROGRAMME: YOUTH (CONTINUED)							
Internship Funding Window 2022	0725	255 029	26 446	216 671	(211 286)	-	
PIVOTAL Funding Window 2022/2023	0727	-	65 976	-	(36 955)	(5 766)	
TVET Funding Window	734	-	29 636	38 115	(34 348)	2 142	
University of Technology (UoT) Funding Window	735	-	18 731	-	(7 306)	-	
Maths & Science Support Programme 2022/23	736	-	15 000	4 600	(9 800)	-	
Higher Education Institution (HEI) Funding Window 2022-23	0741	-	79 307	-	(60 595)	(16 846)	
ICT Skills Programme	0745	-	26 445	-	(2 500)	-	
Letsema Kuyasa :	0749	-	-	-	-	-	
PIVOTAL Grant Funding Window Unemployed	0750	-	-	-	-	-	
Skills Development Initiatives for Gr 12 : Digital Literacy	0751	-	-	-	-	-	
TVET Funding Window	0753	-	-	-	-	-	
UoT WIL Funding Window	0754	-	-	-	-	-	
Higher Education Funding Window 2023/24	0755	-	-	-	-	-	
Higher Education Funding Window	0767	-	-	-	-	-	
Total Youth	-	490 610	274 430	259 386	(529 797)	(46 715)	

* Prior year figures are restated as disclosed in note 29.

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	286 860	-	286 860	-	15 249	(195 917)	(1 815)	104 377
	23 255	1 042	24 297*	516	-	(14 292)	(8 572)	1 949
	35 545	(1 367)	34 178*	-	-	(26 712)	(220)	7 246
	11 425	-	11 425	-	-	(6 650)	(4 775)	-
	9 800	-	9 800	-	-	(9 542)	(258)	-
	1 866	(113)	1 753	-	-	(1 434)	(319)	-
	23 945	(1 259)	22 686*	-	-	(17 817)	(4 869)	-
	-	-	-	49 659	-	(4 850)	-	44 809
	-	-	-	66 499	70 869	(70 186)	(2 700)	64 482
	-	-	-	15 934	-	(10 754)	(645)	4 535
	-	-	-	79 380	-	(39 690)	(1 204)	38 486
	-	-	-	31 739	-	(14 482)	-	17 257
	-	-	-	73 080	3 722	(73 099)	(3 703)	-
	-	-	-	7 264	-	-	-	7 264
	447 914	(3 560)	444 354*	324 311	106 520	(535 459)	(49 321)	290 405

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18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Increases to Existing Contracts 2022/23	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
PROGRAMME: INCLUSIVE BANKING/SMEs							
SME Funding Window	677	51	-	-	(20)	(31)	
SME Funding Window 2021/22	710	2 250	-	-	(1 910)	(340)	
Entrepreneurship Funding Window 2021/22	711	14 204	4 978	-	(14 342)	(233)	
Rural Development support	713	8 000	8 000	-	(8 000)	-	
IEDP Development Finance	714	2 328	-	-	(2 328)	-	
CFI Support- Gauteng Department of Economic Development	717	3 250	-	-	-	(3 250)	
SME CFI Funding Window 2022/23	737	-	4 719	-	-	-	
Economic Reconstruction and Recovery Plan (ERRP) Funding Window	738	-	-	-	-	-	
Entrepreneurship Funding Window	746	-	39 264	-	(7 103)	-	
SME-CFI Funding Window	760	-	-	-	-	-	
Entrepreneurship Funding Window	761	-	-	-	-	-	
IEDP in DevelopmentFinance	763	-	-	-	-	-	
Total Inclusive Banking/SME Programmes	-	30 083	56 961	-	(33 703)	(3 854)	

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	4 607	-	4 607	-	-	(4 162)	(445)	-
	8 000	-	8 000	-	-	(8 000)	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	4 719	(3 114)	1 605	28	-	(1 448)	(178)	7
	-	-	-	41 246	-	(16 562)	-	24 684
	32 161	-	32 161	-	-	(28 628)	(3 533)	-
	-	-	-	2 614	-	(7)	-	2 607
	-	-	-	26 605	-	-	-	26 605
	-	-	-	16 370	-	(3 954)	-	12 416
	49 487	(3 114)	46 373	86 863	-	(62 761)	(4 156)	66 320

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18. COMMITMENTS (CONTINUED)

Project Name	Project Number	Opening Balance 31 March 2022	New Commitments Approved 2022/23 Year	Increases to Existing Contracts 2022/23	Charged to Statement of Financial Performance 2022/23 Year	Write Backs and Other Adjustments 2022/23 Year	
		R'000	R'000	R'000	R'000	R'000	
PROGRAMME: STRATEGIC PROJECTS							
Indlela/National Artisan Development	729	11 271	-	-	-	-	
Universities South Africa (USAF)	729	94 500	-	-	(25 264)	-	
Partnerships	729	135 703	-	-	(37 248)	-	
BS & Lejweleputswa District Municipality Unemployed	729	11 400	-	-	-	(11 400)	
DEDAD Partnership	729	-	19 689	-	(687)	-	
INDLELA/NAD - WSZA	729	-	5 000	-	(193)	-	
Total Strategic Projects	-	252 874	24 689	-	(63 392)	(11 400)	
Total Commitments	-	1 080 456	501 518	259 386	(784 076)	(130 886)	

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	11 271	-	11 271	-	-	-	-	11 271
	69 236	-	69 236	-	-	(57 097)	(12 139)	-
	98 455	4 112	102 567	-	-	(93 619)	(7 198)	1 750
	-	-	-	-	-	-	-	-
	19 002	-	19 002	-	-	(2 541)	(1 374)	15 087
	4 807	-	4 807	-	-	-	-	4 807
	202 771	4 112	206 883	-	-	(153 257)	(20 711)	32 915
	926 398	(97 110)	829 288	706 151	106 520	(879 465)	(185 030)	577 463

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

	Note	2023/24	2022/23
		R'000	R'000
Discretionary grant project expenditure (per commitments table disclosed above)		879 465	784 076
Restatement of prior year expenditure in 2022/23 year		-	5 307
Restated expenditure			
Split into		879 465	789 383
Discretionary grant project direct expenditure		848 076	766 440*
Discretionary grant project admin expenditure		31 389	22 943
Discretionary grant project admin expenditure (included in commitments analysis)		31 389	22 943
Discretionary grant project admin expenditure - non contractual (not in commitments analysis)		3 320	2 478*
Total discretionary grant project admin expenditure		34 709	25 421
Discretionary grant project direct expenditure		848 076	766 440*
Discretionary Grant Total project expenditure	14	882 785	791 861*
(Decrease)/Increase in payables and provisions			

*Prior year figures are restated as disclosed in note 29.

18.2. Other Commitments
Capital Expenditure

	Note	2023/24	2022/23
		R'000	R'000
Intangible Assets		1 602	3 012
Total		1 602	3 012
Split between			
Not later than one year		1 602	1 506
Later than one year and not later than five years		-	1 506
Total		1 602	3 012

During the 2022/23 year, BANKSETA entered into a contract ending in March 2026 to purchase ICT licences and ICT services, The ICT licences are classified as intangible assets. The outstanding commitment to purchase these intangible assets amounts to R1 607 000 (USD85 000).

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18.3. Operating leases

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

Note	2023/24	2022/23
	R'000	R'000
Not later than one year	4 275	4 104
Later than one year and not later than five years	4 680	8 934
Later than five years	1 812	1 182
	10 137	14 220

The BANKSETA entered into operating leases in 2020 for its head office in Centurion, Gauteng and two regional offices, one being in Polokwane and the other in East London. The two regional office leases are until the current BANKSETA licence expires in March 2030. The head office lease expires in 30 April 2030, but has an early termination option which BANKSETA can exercise effective from 31 May 2025 at no penalty. Therefore the minimum lease payments after May 2025 are not included in the amounts disclosed. The Head office lease also has a renewal option.

The annual escalations in all the office lease agreements are 6%.

The BANKSETA also participated in a transversal contract under National Treasury for printers.

One contract for 5 printers ends in April 2024.

The second contract for one printer ends in August 2026.

There is no escalation in these contracts.

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

The BANKSETA has incurred the following losses due to criminal conduct.

Note	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure	1 895	25

During 2023/24 financial year, laptops were stolen from BANKSETA's premises with a net book value of R21 000.

The BANKSETA paid grants worth R1 125 000 where the learners were not employees of the stakeholders as per the application. In addition, 2 learners used the IDs of deceased persons.

The BANKSETA further suffered loss due to criminal conduct from stakeholders where:

- 183 laptops worth R457 000 were not accounted for after completion of training, and
- claimed for more months of practical training then was delivered to the learners. The amount of the loss was R292 000.

19.1 Irregular expenditure and fruitless and wasteful expenditure

Note	2023/24	2022/23
	R'000	R'000
Irregular expenditure	-	1 576
Fruitless and wasteful expenditure	1 895	25
Closing Balance	1 895	1 601

The details of fruitless expenditure are shown under losses due to criminal conduct above.

The presentation of both current year and prior year amounts has been aligned with the National Treasury Instruction no 4 of 2023/23.

The opening balances and other information are shown in the PFMA Compliance section of the annual report.

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19 MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Opening Balances

The presentation of both current year and prior year amounts has been aligned with the National Treasury

Instruction no 4 of 2022/23 .

The opening balances and other information are shown in the PFMA Compliance section of the annual report.

20. FINANCIAL INSTRUMENTS

In the course of the SETA operations it is exposed to interest rate, credit, liquidity, market risk and currency risk. The SETA has developed a comprehensive risk strategy in terms of Treasury Regulation 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.

20.1. Interest rate risk

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

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

	At Amortised Cost			
	Interest Bearing		Non-interest Bearing	TOTAL
	Amount R'000	Effective Interest Rate	Amount R'000	R'000
31 March 2024				
Assets				
Cash and cash equivalents	1 042 569	8.71%	4	1 042 573
Other accounts receivable	-	-	10 295	10 295
Total financial assets	1 042 569	8.71%	10 299	1 052 868
Liabilities				
Trade and other payables	-	-	167 888	167 888
Total financial liabilities	-	-	167 888	167 888
Year End - 31 March 2023				
Assets				
Cash and cash equivalents	1 126 577	6.12%	1	1 126 578
Other accounts receivable	-	-	8 406	8 406
Total financial assets	1 126 577	6.12%	8 407	1 134 984
Liabilities				
Trade and other payables	-	-	130 120	130 120*
Total financial liabilities	-	-	130 120	130 120

*Prior year figures are restated as disclosed in note 29.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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20. FINANCIAL INSTRUMENTS (CONTINUED)

20.2. Liquidity risk

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

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

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

20.3 Fair values

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

20.4 Ageing of financial assets and liabilities

The ageing of receivables from exchange transactions

2023/24	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	10 295	-	8 406	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	8	(8)	8	(8)
Total receivables	10 303	(8)	8 414	(8)

The ageing of cash and cash equivalents:

2022/23	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	1 042 573	-	1 126 578	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-
Total cash and cash equivalents	1 042 573	-	1 126 578	-

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20. FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying Amount	Contractual Cash Flows	6 Months or Less	6 - 12 Months	1 - 2 Years	More than 2 Years
	R'000	R'000	R'000	R'000	R'000	R'000

2023/24

Trade and other payables from exchange transactions	(7 213)	(7 213)	(7 213)	-	-	-
Trade and other payables from non -exchange transactions	(160 675)	(160 675)	(160 675)	-	-	-

2022/23-

Trade and other payables from exchange transactions	(9 615)	(9 615)	(9 615)	-	-	-
Trade and other payables from non -exchange transactions	(120 505)*	(120 505)*	(120 505)*	-	-	-

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

*Prior year figures are restated as disclosed in note 29.

20.5 Credit risk

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

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

20.6 Exposure to credit risk

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

20.7 Credit quality

The credit quality of the financial assets are sound.

Cash and cash equivalents are mainly fixed deposits at the well-established financial institutions approved by National Treasury.

No security is held for these items.

Receivables from exchange transactions is mainly the interest due on these fixed deposits which is capitalised in following months and deposits on office accommodations with reputable well established companies.

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

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20. FINANCIAL INSTRUMENTS (CONTINUED)

	Note	2023/24	2022/23
		R'000	R'000
Cash and cash equivalents		1 042 573	1 126 578
Receivables from exchange transactions		10 295	8 406
		1 052 868	1 134 984

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

Cash and cash equivalents

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

Receivables

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

Payables

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

20.8 Market risk

The SETA is exposed to fluctuations in the employment market. For example, sudden changes in employment or salary rate may impact levy income. The banking sector is also exposed to general market conditions domestically as well as ratings from international agencies. This in turn impacts on the banking sector's profitability and employment within the sector.

Major banks have posted strong results for the first six months of 2023. However, risks have been highlighted on future impairment costs as the economy struggles.

There was no material reduction in employment within the sector.

BANKSETA's levy income is expected to be at budgeted levels of the remainder of the 2023/24 year and for 2024/25 year.

The SETA is also exposed to risk due to the expansion of financial technology (Fintech) companies within South Africa.

These FinTech companies use technologies to compete with traditional banking institution in the delivery of financial services.

These FinTech companies are outside the banking sector. BANKSETA's stakeholders may lose market share to Fintech companies leading to shrinkage in employment in the banking sector and therefore levies.

The new technologies may also allow financial services to be delivered with fewer employees leading to decline in banking sector employment levels, and in turn, levies.

20.9 Currency risk

The SETA minimises its foreign currency transactions and purchases so as to manage its currency risk. Minimal goods and services are sought outside South Africa.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. ACCOUNTING PRONOUNCEMENTS

21.1 Standards and interpretations effective and newly adopted in the current year

The following GRAP standards and guidelines that are relevant to the BANKSETA that became effective from 1 April 2023, had no impact on BANKSETA's reporting and disclosures.

Description	Statement No.
Amendments to Presentation of Financial Statements	GRAP 1
Employee benefits	GRAP 25
The Effect of Past Decisions on Materiality	IGRAP21
Guideline on the application of Materiality to Financial Statement	
Service Concession Arrangements Where a Grantor controls a Significant Residual Interest in an Assets	IGRAP 17

21.2 Standards and interpretations issued but not yet effective

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.

BANKSETA has not adopted any standards early.

Description	Statement No.	Effective Date, Commencing On or After
Amendments to Presentation of Financial Statements (Revised)	GRAP 1	1 April 2024
Heritage Assets (Revised)	GRAP 103	No effective date set
Financial Statements (Revised)	GRAP 104	1 April 2025
Transfer of Functions Between Entities Under Common Control	GRAP 105	1 April 2024
Transfer of Functions Between Entities Not Under Common Control	GRAP 106	1 April 2024
Mergers	GRAP 107	1 April 2024
Improvement to Standards of GRAP	Amendments	1 April 2024
Foreign Currency Transactions and Advance Consideration	IGRAP22	No effective date set

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

GRAP 1 : Amendments to Presentation of Financial Statements

The amendments to this standard expands reporting of going concern assertions and expanded disclosure on the material uncertainties, possible effects of the uncertainties, significant judgements and assumptions made by management. It will not impact BANKSET's accounting policies or disclosures.

GRAP 103 : Heritage Assets (Revised)

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

The BANKSETA has no transactions, assets or liabilities that fall under this Standard.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. ACCOUNTING PRONOUNCEMENTS (CONTINUED)

21.2 Standards and interpretations issued but not yet effective (continued)

GRAP 104 : Financial Instruments (Revised)

"This standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to:

- simplify the recognition, measurement and disclosure of financial instruments; and
- accommodate the types of financial instruments entered into in the public sector.

The definitions of the various categories of financial instruments in IAS 39 have been streamlined and replaced which will require us to change our accounting policy accordingly.

The following disclosures required under IAS are encouraged but not required:

- The disclosure of fair values for financial instruments.
- Certain disclosures about the use of the fair value using the three tiered hierarchy.
- A market sensitivity analysis.

It is not expected that this standard will significantly impact future disclosures.

GRAP 105 : Transfer of Functions Between Entities Under Common Control

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities under common control and its effects.

The standard directs recognition and derecognition of assets acquired or received and liabilities assumed at carrying amount.

The difference is recognised in accumulated surplus or deficit.

The BANKSETA currently does have any transactions, assets or liabilities that fall under this Standard.

There are plans to eventually transfer some quality assurance activities to the QCTO.

BANKSETA does not expect any transfer of functions to involve any transfer of assets or liabilities.

The application of this standard is not impacted to have any impact on BANKSETAs reporting or future disclosures.

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

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities which are not under common control and its effects.

The standard directs recognition and derecognition of assets acquired or received and liabilities assumed at fair amount.

The difference is recognised in accumulated surplus or deficit.

The BANKSETA currently does have any transactions, assets or liabilities that fall under this Standard.

BANKSETA does not expect any transfer of functions between entities not under common control.

GRAP 107 : Mergers

The objective of this Standard is to establish principles and requirements for the combined entity and combining entities in a merger and its effects.

The standard is applicable where

- the assets acquired or received and/or the liabilities assumed meet the definition of a function and
- an acquirer can not be identified in the transaction or event.

The BANKSETA currently does have any transactions, assets or liabilities that fall under this Standard.

Improvement to Standards of GRAP

Various amendments and improvements in standards of GRAP will become effective.

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ACCOUNTING PRONOUNCEMENTS (CONTINUED)

21.2 Standards and interpretations issued but not yet effective (continued)

It is expected that these amendments in standards will have no significant impact on future reporting and/or disclosures.

22. RELATED PARTY TRANSACTIONS

Transactions with entities under common control

The SETA was controlled by the Department of Labour, for the period up until 31 October 2009, and since 1 November 2009 by the Department of Higher Education and Training. The Department of Higher Education and Training and the Department of Science and Technology were both placed under the Ministry of Higher Education Science and Innovation in 2019. The departments are currently controlled, by the Minister of Higher Education Science and Innovation.

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:

Except for the QCTO, all transactions with entities under common control occurred within normal client/recipient relationships under terms and conditions that were no more or less favourable than those available to entities in the same circumstances. All transactions are within terms and conditions within the normal operating parameters established by BANKSETA's legal mandate.

As all transactions except for those with QCTO, are at arm's length BANKSETA is utilising the exemption from disclosure of related party transactions and only discloses the balances outstanding at year end for these related parties.

22.1 INTERSETA Balances and transactions

The BANKSETA and all other SETAs are public entities under the common control of DHET.

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

The BANKSETA may also enter into training partnerships with fellow SETAs to joint fund programmes or participate in a training programme run by a fellow SETA. These training is mainly skills programmes that benefit learners

Type of Entity	Nature of Transaction	2023/24			2022/23		
		Amount of the Transaction	Amount Receivable/ (Payable)	Commitment Value At Year End	Amount of the Transaction	Amount Receivable/ Payable	Commitment Value At Year End
		R'000	R'000	R'000	R'000	R'000	R'000
Transport SETA	Partnership in a Training Programme	-	(8 750)	1 750			31 500
Total		-	(8 750)	1 750	-	-	31 500

*Note that where ever amounts relating to SETA transfers relating to skills development levies received from employers are shown, these include interest and penalties transferred to or from the SETA wherever applicable..

22.2 QCTO

The BANKSETA and the Quality Council for Trade and Occupations (QCTO) are both public entities under the common control of DHET. In terms of legislation all SETAs contribute amounts annually to the QCTO to fund QCTO's operations. Such amounts should not exceed 0.5% of the annual levies of the SETA. The value of BANKSETA's contribution to the QCTO during the year are included in administration costs disclosed under note 15. The annual contributions by a SETA to QCTO are determined by the Minister and are payable in full in advance on 1 April of each year.

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22. RELATED PARTY TRANSACTIONS (CONTINUED)

The balances with QCTO as at year-end and prior year end and amounts transferred during the year are shown below.

Any commitments to the QCTO are secured and there are no guarantees given or received.

Type of Entity	Nature of Transaction	Note	2023/24		2022/23	
			Amount Transferred During the Year	Amount Receivable/ (Payable)	Amount Transferred During the Year	Amount Receivable/ (Payable)
			R'000	R'000	R'000	R'000
QCTO	Contribution towards QCTO operational costs	15	6 224	-	5826	-

22.3 Public Universities and Universities of Technology (UoTs)

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

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

- bursary programmes benefiting learners for both under graduate, post graduate, doctoral and post-doctoral level studies.
- work integrated learning programmes benefiting learners and
- research programmes including research chairs.
- various skills programmes including entrepreneurship programmes benefiting learners and stakeholder, and
- lecturer development programmes.

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

22.4 Technical and Vocational Colleges (TVETs)

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

The BANKSETA funds the following programmes through the TVETs

- bursary programmes benefiting learners
- work integrated learning programmes benefiting learners
- various skills programmes including entrepreneurship programmes benefiting learners and stakeholder,

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

22.5 NSFAS

The BANKSETA and the NSFAS are entities under the common control of DHET.

The BANKSETA funds bursary programmes for the benefit of learners through NSFAS.

There were no balances (payable and/or receivables) or outstanding commitments to the NSFAS as at year end.

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22. RELATED PARTY TRANSACTIONS (CONTINUED)

22.6 Indlela/National Artisan Development

The BANKSETA and the Indlela National Artisan Development are entities under the common control of DHET.

The BANKSETA funds training and infrastructure for the benefit of learners through Indlela.

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

Transaction with entities under common control (excluding QCTO, SAQA and interSETA balances)

Type of Entity	Nature of Transaction	2023/24		2022/23	
		31 March 2024	Commitment Value At Year End	31 March 2023	Commitment Value At Year End
		Net (Payable)/ Receivable at Year End		Net (Payable)/ Receivable at Year End	
		R'000	R'000	R'000	R'000
Indlela National Artisan Development	Strategic Projects	-	16 079	-	16 079
TVETs	Work Integrated Learning Programmes	(11 495)	47 697	(2 016)	68 367
TVETs	Skills Programmes		10 349	(168)	3 658
Universities and Universities of Technology	Bursaries	(36)	13 510	(4 356)	2 951
Universities and Universities of Technology	Work Integrated Learning Programmes	(10 888)	16 495	(1 076)	11 425
Universities and Universities of Technology	Skills Programmes	(318)	15 341	-	2 194
Universities and Universities of Technology	Research Programmes	-	1 382	-	439
Universities	Lecturer Development	-		-	-
Subtotal related parties balances and transaction for Project Programmes		(22 737)	120 853	(7 616)	107 113

22.7 South African Qualifications Authority (SAQA)

The BANKSETA and SAQA are entities under the common control of DHET.

The BANKSETA needs to use SAQA data for learner certification and pays SAQA a nominal fee for this.

There were no balances (payable and/or receivables) or outstanding commitments to the SAQA as at year end.

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23. REMUNERATION OF ACCOUNTING AUTHORITY MEMBERS AND COMMITTEE MEMBERS

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

The Accounting Authority consists of members appointed in terms of its constitution. The Chief Executive Officer attends meetings of the Accounting Authority but is not a member of the Accounting Authority.

The aggregate remuneration of members of the Accounting Authority and the number of members receiving remuneration within this category are:

23.1 Remuneration of Members of the Accounting Authority and Committee members

	Meeting and Preparation Fees	Ad Hoc Meetings	2023/24	2022/23
	R'000	R'000	R'000	R'000
N Makhanya (Chairperson)	245	232	4767	422
M Lekota	41	-	41	229
D Cedras	49	-	49	323
L Selepe	181	44	225	190
M Moodley	119	39	158	184
M Matle	224	55	279	242
N Sekgaphane	165	74	239	341
V Hattingh	209	55	264	207
L Mhlongo	217	79	296	281
L van Pletzen	114	11	125	203
P Landman	228	48	276	260
P Siphuma	137	18	155	199
B Nyakane	31	-	31	239
Aggregate remuneration Accounting Authority members	1 960	655	2 615	3 320

23.2 Remuneration of Committee members

	Meeting and Preparation Fees	Ad Hoc Meetings	2023/24 Total	2022/23 Total
	R'000	R'000	R'000	R'000
Remuneration of Independent committee members				
P Dala - Chairperson	142	68	210	249
T Mbatha	51	15	66	93
M Pillay	103	19	122	157
T. Tshingano (resigned 11 May 2023)	-	-	-	104
A Latchu (appointed effective 25 July 2023)	70	41	111	-
Aggregate remuneration independent ARC committee members	366	143	509	603
Aggregate remuneration of all members of the Accounting Authority and its Sub-committees	2 326	798	3 124	3 923

Number of persons

17

17

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23. REMUNERATION OF ACCOUNTING AUTHORITY MEMBERS AND COMMITTEE MEMBERS (CONTINUED)

23.3 REMUNERATION OF MEMBERS OF MANAGEMENT

Remuneration of management

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

	Basic Salary Remuneration	Post Employment Benefits Pensions	Other Short-term Benefits	Bonuses and Performance Related Amounts**	Total Remuneration	Total Remuneration
	2023/24 R'000	2023/24 R'000	2023/24 R'000	2023/24 R'000	2023/24 R'000	2022/23 R'000
CEO	1 856	235	209	786	3 089	2 957
CFO	1 545	191	112	619	2 467	2 326
GM Operations	1 519	187	141	619	2 466	2 266
GM Corporate Services **	-	-	-	-	-	-
Total	4 920	613	462	2 027	8 022	7 549

*The GM Corporate Services position has been vacant since February 2022

**The amounts disclosed as bonuses and performance related amounts are provisions. The actual amounts for the financial year are determined after reporting date.

25 NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS

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

An amount of R4 486 000 (2022/23: R4 376 000) is retained in the administration reserve equal to the carrying value of property and equipment and intangible assets.

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

An amount of R260 000 (2022/23 : R137 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 year ended 31 March 2024. Refer to note 17.2 for disclosure of this contingent liability.

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26 GOING CONCERN

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

The SETA has a licence till 31 March 2030. There are no legislative and regulatory changes known that would impact BANKSETA's ability to operate as a going concern within the next 12 months.

26.1 BUSA matter in respect of mandatory grant percentage

In 2019, the court struck down the Minister's reduction of the mandatory grants percentage from 50% to 20%. BUSA took this matter to court and the Minister's action was invalidated. No new mandatory percentage was pronounced. The Minister has taken a conciliatory approach to the matter and is currently engaging with BUSA. No developments on this matter can be reported as at year end. The BANKSETA has disclosed a contingent liability in regards to the matter in note 17. The timing and amount of this liability can not be reasonably estimated. Should the BANKSETA have to revert to the previous 50% mandatory grant percentage backdated to the court date, it would have commitments greater than available funds. However, due to timing of the discretionary grants payments being spread over periods up to 18 months, the BANKSETA would be able spread its payments and settle all its liabilities as they fall due. The BANKSETA would also be able to utilise funds from coming months to close any shortfalls.

The BANKSETA would continue as a going concern.

26.2 Surplus retention and approval

In October 2023, the National Treasury approved that BANKSETA retain its full surplus of R965 074 000 from 2022/23 year. The National Treasury has also approved the utilisation of this surplus to fund discretionary grant expenditure in 2023/24 year.

The next surplus retention application will be made in August 2024 after the 2023/24 financial year end for the surplus as at 31 March 2024.

26.3 Combined effect

After assessing the combined effect of all the above, the BANKSETA is expected to continue as a going concern over the next 12 month period.

27 EVENTS AFTER REPORTING DATE

On 10 April 2024, DHET issued Circular no 2 of 2024/25 that allows utilisation of investment income to fund administration expenditure instead of funding discretionary grant expenditure.

BANKSETA may apply this for 2024/25 as it would relieve the constraints within administrative expenditure and allow expansion of the staff structure in 2024/25 per the revised staff organogram.

28 NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

28.1 Budget and adjustments to budget

The BANKSETA Accounting Authority approved the original budget and the revised budgets.

The Executive Authority, DHET, approved the original and the revised budgets.

28.1.1 The revision to 2023/24 budgets of R147 390 000 000 increasing levy income and interest income to align the budget to current levels of income and to allow the utilisation of this 2023/24 income in the same year.

28.1.2 Net Increase in expenditure of R 545 678 000 split into: Discretionary grants expenditure based on DHET's approvals from 2021/22 surplus were done and reversed as formal delegations of the 2021/22 surplus to DHET was not effected.

28.1.3 The revision to 2023/24 budgets of R398 288 000 000 increasing discretionary grant expenditure after National Treasury had approved 2022/23 surpluses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28 NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

The BANKSETA sent the budget revision to DHET for approval by 15 November 2023 as requested by DHET.

To date DHET has not yet approved the budget revision.

Legislation requires that the SETA annually, in August submit a budget for the following year to the Minister for approval.

The BANKSETA therefore submitted the budget for 2024/25 financial year.

The Minister has approved the 2024/25 budgets.

28.2 Skills Development Levy: Income from non-exchange transactions

The levy receipts for the year were 3% higher than the revised 2023/24 budgets for the period. The major stakeholders in the banking sector posted strong results. This led levy payers to maintain employee numbers and pay bonuses which is reflected in the skills development levy receipts.

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

Income from levy penalties and interest arise when employers fail to comply with taxation legislation, either through late or inaccurate declarations or late payments. The level of such penalties and interest indicates the level of non-compliance in the sector. The level of interest and penalties amounts typically vary significantly year on year. The full amount received is made available for discretionary grant projects. This year the amount decreased by 97% over the same period in the prior year. The significant drop in this period indicates improved tax compliance. BANKSETA does not budget for tax non-compliance in the form of penalties and interest.

28.4 Investment Revenue from exchange transactions

Investment revenue from exchange transactions was 23% greater than budget. The expected interest rate cuts have not yet materialised for 2023/24. The South African Reserve Bank raised rates in first few months of 2023. The rates achieved are above prior year average rates of 6.12%.

The average funds available to invest were 7% below prior year as the BANKSETA increased its expenditure in regards to training.

28.5 Employer grant

The BANKSETA board approved that BANKSETA continues to pay and calculate mandatory grants at 20% in 2023/24 year, while awaiting the decision on the rate or change in legislation from DHET. The mandatory grant expenditure for the first of 2023/24 year is 1% above budget and 11% above prior year, in line with the mandatory levies. Fewer Workplace Skills Plans were received and approved this year. The mandatory grant expense ratio decreased slightly to 97,8% for the current year compared to 98,4% in the prior year.

28.6 Project and discretionary grant expenditure

The discretionary grant expenditure is 24% below the budget for the 2023/24 year.

It is also 13% above prior year, showing improved implementation rates for training projects.

This escalation in training implementation is due to.

28.1.1 Earlier start to discretionary funding windows leading to the BANKSETA starting the 2023/24 financial year with a high commitments balance. BANKSETA therefore had a strong pipeline of projects being implemented through out the year.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28 NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

28.6 Project and discretionary grant expenditure (continued)

28.1.2 Quicker and streamlined DG funding windows processes including clearer criteria leading to fewer appeals and bottlenecks. BANKSETA also improved the processes to monitor unallocated funds and to increase allocations where the BANKSETA had additional funds.

28.1.3 Better project monitoring and improved processes. These included stricter monitoring of project commencements and enrolments and provision of the evidence with 2 months of the contract start date.

Due to surpluses being approved late October each year, it is difficult to allocate and spend the available budget within the year.

28.7 Administration expenses

Administration expenditure is limited to 10.5% of levies received. BANKSETA did not exceed this level in the 2023/24 financial year to date.

Overall administration expenditure is 25% below the revised budget and 12% above prior year.

The larger variances of more than R400 000 and 10% or more greater or less than budget for 2023/24 year period are as follows:

Expenses	Variance to Budget	Explanation
- Employment costs	12% below budget	Budget was increased by R4 million in July 2023 to allow more staff per the new organogram to be recruited. Several contractors are still also to be recruited. There are some positions currently being advertised.
- Board Fees	27% above budget	"BANKSETA has 5 vacancies for board members. BANKSETA is still following up DHET to place members for 2 of the positions. BANKSETA is awaiting the nomination for 3 members. In addition, the BANKSETA did not have the 4th independent ARC member for part of the year."
- Communications and Marketing Costs	45% below budget	Some of the activities planned were postponed and a number of procurement exercises were unsuccessful due to no qualifying bids.
Consultation costs	45% below budget	This was budgeted for the completion of the OD study which cost less than expected at R274 095 and for ICT. No ICT consultancy work was required this year.
Outsourced services	56% below budget	There was a significant increase in service provider fees as the BANKSETA began a number of projects to improve the ICT security and increase its ICT capabilities. The BANKSETA was unable to procure service providers for all ICT projects planned due to challenges in obtaining suitable qualifying bids. Some projects like SharePoint, website revamp and maintenance and SharePoint upgrade were only started late during the year and therefore did not spend the full budget.
Advertising	76% below budget	BANKSETA limited its advertising spend

In line with legislation capital expenditure is funded from admin levies.

In terms of GRAP standards capital expenditure resulting in assets that will be utilised over more than one accounting period is shown as property and equipment

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS

	R'000
The following errors were discovered in reporting in the comparative year 2022/23 and in years prior to the comparative year.	
Adjustment 1 :Understatement of discretionary grant expenditure in prior year amounting to	62 208
Adjustment 2 :Overstatement of commitments in prior year - 2022/23	34 902

29.1 Adjustment No 1 : Understatement of Discretionary grant Expenditure

	2022/23
	R'000

Understatement of DG Expenditure In Financial Years Before 2022/23 Comparative Year

BANKSETA experienced challenges in the effectiveness of its project monitoring functions which negatively impacted on its ability to determine training progress and obtain, collate and record performance information. The BANKSETA therefore did not collect information of training and skills development done at workplaces and other training sites in the 2019/20 to 2021/22 financial years.

In the current year, 2023/24 BANKSETA followed up on the outstanding contracts resulting in performance information being received that training was conducted for which BANKSETA was had committed to pay for with discretionary grants.

BANKSETA was legally obliged to settle these claims amounting to R56 961 000 from financial years prior to the comparative year of 2022/23 shown.

The BANKSETA understated is discretionary grant expenditure and deficit and over stated its reserves BANKSETA retrospectively corrected for this discretionary grant expenditure as BANKSETA would have been aware of it in those years had its project monitoring been effective.

56 901

The net effect is a decrease in reserves up to 31 March 2022, and increase in the expenditure and deficit for those periods of R56 901 000.

	As Previously Disclosed 31 March 2022	Adjustment	31 March 2022 Restated
	R'000	R'000	R'000
The effect of reserves as at 31 March 2022 at the start of the comparative years shown in these financial statements			
Funds and reserves			
Discretionary reserve	1 059 291	(56 901)	1 002 390
TOTAL FUNDS AND RESERVES	1 062 853	(56 901)	1 005 952

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

29.1.2 Understatement of DG Expenditure in Comparative Year 2022/23

	2022/23
	R'000
Prior year figure for Deficit and Discretionary expenditure were under stated by net amount of R5 307 000 as the BANKSETA failed to account for valid billings received from stakeholders.	5 307

The errors also included under statement of non-exchange payables by R15 065 000 due to

- payables raised when the underlying performance information indicating that the training and skills development work had been rendered, had not been received, or
- amounts excluded where performance information and billings were received and verified, or
- amounts included which should not been recognised as accruals and instead recognised as provisions due to uncertainty on the amounts or timing of payment as the verification of the performance information was not yet completed.

The net effect was over statement of the accrual by R5 307 000

This error also included under statement of provision for discretionary grant expenditure by R37 586 due to:

- amounts not being recorded for provisions for evidence received indicating that training and skills
- development work ad occurred for which BANKSETA would be liable to pay discretionary grants, or
- amounts that were uncertain in amount or timing of payment were incorrectly classified as discretionary
- payables when they should have been classified as provisions due to uncertainty in regards to amounts claimed or uncertainty in timing of payment.

Net Effect of Restatement over all years:

	R'000
Decrease in reserves in prior years due to understatement of deficit and DG expenditure	
- In years prior to comparative year of 2022/23	56 901
- In 2022/23 comparative year	5 307
Net decrease in reserves as at 31 March 2022	62 208

The comparative figures for the following have been adjusted as follows:

	2022/23 As Previously Disclosed	Adjustment	2022/23 Restated
	R'000	R'000	R'000
Project grants payable - Discretionary	95 883	24 622	120 505
Provision	47 814	37 586	85 400
Discretionary grant expenses	(786 554)	(5 307)	(791 861)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

The following figures in the notes and statements have been restated as follows:

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000
i. In the Statement of Financial Position			
LIABILITIES			
Current liabilities			
Payables from non-exchange transactions	114 263	24 622	138 885
Provisions	47 814	37 586	85 400
Total liabilities	171 692	62 208	233 900
NET ASSETS	969 451	(62 208)	907 243
NET ASSETS AND LIABILITIES	969 451	(62 208)	907 243
Funds and reserves			
Discretionary reserve	964 938	(62 208)	902 730
TOTAL FUNDS AND RESERVES	969 451	(62 208)	907 243

ii. Statement of Financial Performance and Statement of Changes in Net Assets

The following figures in the notes and statements have been restated as follows:

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000
EXPENSES			
Discretionary grant expenses	(786 554)	(5 307)	(791 861)
Total expenses	(1113 954)	(5 307)	(1119 261)
NET (DEFICIT) FOR THE PERIOD	(93 402)	(5 307)	(98 709)
Allocation of unappropriated surplus -discretionary reserve	(123 031)	(5 307)	(128 338)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

ii. Note 6 - Payables from Non-Exchange Transactions

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000
Project grants payable - Discretionary	95 883	24 622	120 505
Total Payables from Non-Exchange Transactions	114 263	24 622	138 885

iv. Note 8 : Provisions

The following analysis was added

	Opening Balance	Reclassified to Accruals	Over/Under Provision	Addition	Paid/ Reversed	Closing Balance
Provision for discretionary grant expenditure	56 901	(43 224)	-	23 908	-	37 586

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000

The following figures have been restated as follows

Total provisions	47 814	37 586	85 400
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v. Note 14 - Employer Grants and Discretionary Grants Expenses

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000

The following figures have been restated:

Total employer grant and discretionary grant expenses

1 015 124	5 307	1 020 431
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vi. Reconciliation of Net Cashflow From Operating Activities to Net Deficit

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000

The following figures have been restated:

Net (deficit) as per Statement of Financial Performance

(93 402)	(5 307)	(98 709)
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000
(Increase)/decrease in receivables from non-exchange transactions	15 818	5 307	21 125
Cash (utilised in) / generated from operations	(152 946)	-	(152 946)

vii. Note 17 : Contingencies

Note 17.1: Retention of surplus funds

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000
Total surplus per current legislation	965 075	(62 208)	902 867
Less: discretionary grant commitments	(926 398)	97 110	(829 288)
Uncommitted surplus	38 677	34 902	73 579

viii. Reconciliation of Project Expenditure

Discretionary grant project expenditure (per commitments table disclosed in commitments summary)

784 076 5 307 784 076

Split into

Discretionary grant project direct expenditure	761 133	5 307	766 440
Discretionary grant project admin expenditure	22 943	-	22 943

Discretionary grant project admin expenditure (included in commitments analysis)

22 943 - 22 943

Discretionary grant project admin expenditure - non contractual (not in commitments analysis)

2 478 - 2 478

Total discretionary grant project admin expenditure

25 421 - 25 421

Discretionary grant project direct expenditure

761 133 5 307 766 440

Discretionary Grant Total Project Expenditure

786 554 5 307 791 861

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

ix. The following figures have been restated:
Note 20: Financial Instruments

	2022/23 As Previously Disclosed	Restatement	2022/23 Restated
	R'000	R'000	R'000
Trade and other payables from non-exchange transactions	95 883	24 622	120 505
Total financial liabilities	105 498	24 622	130 120

29.2 Adjustment 2 :Overstatement of commitments in prior years

The BANKSETA failed to close off projects that completed in prior years where there was underspending of the commitments for discretionary grants.

The stakeholders had submitted project close out reports which BANKSETA had accepted indicating that all training to be done, was completed and the project closed.

The BANKSETA instead extended the contract periods.

The errors were detected in 2023/24 year on review on non-moving contracts.

The BANKSETA has therefore adjusted the amounts that were written off on these contracts in 2023/24 to the the correct years the amounts should have ben written off in.

In addition the BANKSETA corrected contracts shown as starting in 2023/24 instead of 2022/23 for R760 000 and a re-statement of contract for R108 000

The opening balance on commitments has therefore been restated as follows:

	2022/23
	R'000
31 March 2023 closing balance as previously stated	926 398
Impact of adjustment 2 : overstatement of commitments due to contract balances not being written off in the year the project close out report was submitted	(62 208)
Adjustment for commitments recorded in incorrect year	760
Adjustment of contract restatement	108
Restated opening balance for commitments	829 288

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