

ANNUAL REPORT 2007-2008



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT OF THE PUBLIC SERVICE EDUCATION & TRAINING AUTHORITY (PSETA)

1 April 2007 to 31 March 2008

Publisher	PSETA , Ground Floor, Lakeside Building A, Centurion Mall, Centurion, Gauteng
Printing	ZY Print
RP	83/2008
ISBN	978-0-621-37811-5

The PSETA is the custodian for quality assurance of transversal training at all levels in the public sector through appropriate, adequate and accessible skills development, training and education.

VISION

To meet the current and future public sector needs for skilled and competent workers through the effective provision of quality-assured, relevant and accessible education and training.

MISSION

To develop a dedicated, skilled and productive public service workforce through the effective coordination of skills development, continued education, learnerships and training programmes for workers in the public sector.

SCOPE

The Skills Development Act, No 97 of 1998, through the establishment of the SETAs, provides the institutional framework for delivering skills development.

The PSETA's stakeholder scope covers all national Government Departments and provincial administrations, as well as Parliament, national legislatures, organised labour and identified parastatals.



CONTENTS

Highlights	2
PSETA in context – historical background and status quo	3
Chairman’s Review	5
Report by the CEO	7
Performance Review	10
Key Initiatives	13
• Learnerships	13
• Skills Planning	22
• Education and Training Quality Assurance (ETQA)	24
Corporate Governance	28
Annual Financial Statements	32

“Better employment can only become a reality when what Nelson Mandela urged us to do in his maiden State of the Nation Address of 1994 is achieved, which is to “empower the workers, raise productivity levels and meet the skills needs of a modern economy”... In the last year, more learners were enrolled into learnership programmes – allowing us to declare today that we are on course towards meeting the targets set by the second phase of the National Skills Development Strategy by 2010.”

Minister of Labour, Membathisi Mdladlana
Budget Vote Speech, Parliament, Cape Town on 15 May 2008



HIGHLIGHTS

Our performance during the past financial year was rewarded with a number of highlights. A selection of these achievements is profiled here:

- Trained a further 45 skills development facilitators to increase the capacity in government departments to implement skills development programmes.
- Workplace skills plans (WSPs) and annual training reports (ATRs) received from 72 national and provincial government departments.
- The PSETA Career Guide is being used by 178 trained skills development facilitators against the NSDS target of 75.
- Conducted skills planning workshops in all nine provinces.
- Signed a new joint implementation plan with the South African Qualifications Authority (SAQA) to develop and register sector-specific qualifications, including those for Statistics South Africa and National Treasury.
- Certified 11 learners from the Presidency on the National Certificate in Public Administration Learnership (NQF level 3).
- Launched the pilot ISOE (Institute of Sectoral or Occupational Excellence) project in Kimberley to promote the quality and relevance of sector-specific training amongst training providers.
- Developed a Recognition of Prior Learning (RPL) policy, strategy and implementation plan for the public service sector.
- Exceeded a number of our learnerships and skills development targets.
- Developed 30 skills programmes in consultation with the public sector and implemented 20 internships.
- Entered 2 485 workers into learnerships, with 1467 workers completing their programmes, which significantly exceeded the NSDS targets.

- Participated in career and further education exhibitions in a number of Provinces, including the Laphumilanga Career Expo in Khayelitsha.



Cooperative initiatives such as between the Laphumilanga Youth Development Organisation, Khayelitsha Education Forum and Khayelitsha Development Fund enables the PSETA to provide learners with information about education and career opportunities.



PSETA CONTEXT

The duties of the SETAs are aligned with the Skills Development Act and focus on:

- *Developing and implementing a sector skills plan*
- *Developing and administering learnerships*
- *Supporting the implementation of the National Qualifications Framework*
- *Undertaking quality assurance*
- *Disbursing levies collected from employers in their sector*
- *Reporting to the Minister of Labour and to the South African Qualifications Authority.*

The Public Service Sector Education & Training Authority (PSETA) is one of the 23 SETAs responsible for training and skills development in all work sectors in South Africa, including the public sector.

It was established on 20 March 2000 to facilitate, coordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the public sector and participating parastatals.

Its objectives are aligned with the Skills Development Act and those of the NSDS, and emphasise the need to identify skills shortages and increase the public service investment in skills development and its return on investment in this regard. It also aims to improve

employment for those previously disadvantaged, assist work-seekers and retrenched workers to enter the labour market, support employers to find suitably qualified employees, and promote skills for self-employment.

The PSETA was listed as a public entity after its establishment in 2000 and is funded by National Treasury through the budget of the Department of Public Service and Administration (DPSA). The administrative responsibility for the PSETA vests in the DPSA through its departmental policies, processes and procedures. The PSETA has a dual reporting line, namely to the Minister of Labour in terms of the Skills Development Act, and the Minister of Public Service and Administration as the Minister responsible for the Public Service.



Ltr Mr Tahir Maepa, PSETA Chairman, Ms Sally Rowney, Chief Director HRD Strategy at the Department of Public Service & Administration, Minister for Public Service and Administration, Ms Geraldine Fraser-Moleketi and Mr Siphon Majombozi, PSETA CEO at the launch of the Public Administration Leadership and Management Academy (PALAMA). The Academy has been established to provide massified training at all spheres of government.



PSETA CONTEXT

The process to renew the PSETA's Certificate of Establishment commenced in February 2006 and it was re-listed as a Schedule 3A Public Entity in terms of the Public Finance Management Act of 1998 in 2007, with an independently-elected Board as its accounting authority. The Minister of Public Service and Administration, as the Minister responsible for the Public Service, remains the major employer of the PSETA. In this regard, a Memorandum of Understanding has been drafted and will be signed with the DPSA in the forthcoming financial year.

These developments ushered in a new chapter for the PSETA. Its business plan is focused on three key success indicators:

- Ensuring that the Board and other appropriate governance structures are established and well managed.
- Establishing itself as an independent entity and setting up the infrastructure to manage and effectively deliver on its mandate.

- Capturing the imagination of the public service by providing well-designed and targeted interventions to assist and facilitate quality education and training for the public sector.

Organisational challenges

Organisational challenges remain. Amongst these are the PSETA's dual reporting lines, its grant-funded financial model with limited income through levy payments, a high level of staff turn-over and the permanent appointment of a CEO. The result has been a challenging business environment for the PSETA within which to achieve its objectives.

The appointment of a permanent Board has given impetus to a number of initiatives to address these challenges, as indicated by the Chairperson and Chief Executive Officer in this Report. The Board believes that in going forward, the PSETA is better positioned to give effect to its mandate.



CHAIRMAN'S REVIEW

Education and skills training are non-negotiable imperatives for developing an economically active and skilled workforce in South Africa. The Services Education and Training Authority (SETA) system – created by the Department of Labour in March 2000 in terms of the Skills Development Act (SDA), 1998 and the Skills Levies Act (SLA), 1999 – is integral to skills development and job creation to meet the challenge of reducing unemployment to below 15% by 2015.



Mr Tahir Maepa, Chairman

I have been privileged over the past months to lead the Board of the PSETA on its challenging journey towards relisting as an autonomous public entity and making its mark as a significant contributor to skills development and training in the public sector.

Government's drive to implement and monitor progress against the success indicators of the National Skills Development Strategy (NSDS) – specifically within the Sector Education and Training Authority (SETA) environment – underpins the need for effectiveness and efficiency from SETAs in developing a skilled and competent labour force across all sectors of the economy, including, and perhaps more so, in the public sector.

Within this context, The Accelerated and Shared Growth Initiative of South Africa (ASGISA) and the Joint Implementation Plan for Skills Acquisition (JIPSA) are of significant importance as initiatives that highlight the urgency to identify and develop scarce and critical skills in the public sector and improve service delivery across all public services.

The SETAs have for some time now been criticised by stakeholders and others for a perceived inability to effectively provide South Africans with the skills to improve service delivery and contribute to the economy of the country.

It is incumbent on all SETAs to address these perceptions, and the pending review of the SETAs in the forthcoming financial year to create a new 2010 SETA landscape, emphasises the urgency to do so.

As the SETA with the public service sector mandate and within the context of our background and current

reality – as described in the previous section of this Report – the PSETA's business environment has, for a number of years, been characterised by a series of systemic challenges.

The Auditor-General's report on governance at the PSETA refers to these challenges, including the need for it to move forward as an autonomous entity with improved governance policies and procedures, an effective administrative infrastructure and qualified personnel to improve its service delivery. The unresolved nature of these issues placed significant pressure on the PSETA to meet its objectives and improve its performance in the period ahead of the redefining the SETA landscape in 2010.

The evaluation of our performance by the Department of Labour for the past financial year highlighted the areas where we exceeded our NSDS targets, such as communicating critical skills and facilitating learnerships and skills programmes enrollments and completions for workers and the unemployed. The evaluation also indicated areas of variance with targets, including the facilitation of worker registrations and completions of ABET Levels 1- 4 and encouraging all government departments to spend at least 1% of their human resources budget on training.

Good progress was made in addressing some of these issues during the past year. These include the Board-initiated development of an organisational model to improve operational performance and service delivery, the facilitation of a Recognition of Prior Learning strategy which will be implemented in the new financial year, a further increase in the pool of expert learnership evaluators and the training of 178 skills development facilitators in the use of our Sector Career Guide to improve the identification of scarce and critical skills and the implementation of learnerships in the public sector.

In the year ahead, we look forward to resolving the remaining challenges. Our emphasis will be on



CHAIRMAN'S REVIEW *(continued)*



The PSETA Board Members (standing ltr) Mr Percy Huma, Mr Konkie Heflin, Mr Henk Bresler, Ms Mamello Mahomed, Mr Zamo Khuzwayo, Ms Rachel Modipa and Mr Daniel Makhetha and (sitting ltr) Ms Astrid Samboer, Mr Siphon Majombozi, CEO, Mr Tahir Maepa, Chairman and Ms Nontsasa Lebaka. Members not represented here are Mr Francisco Fields, Mr Moloadi Khutsoane, Ms Ina Kuhn, Mr Alex Mahapa, Mr Lese Matlhape, Mr Vusi Nhlapo, Ms Sally Rowney and Ms Thabo Zulu.

finalising our public entity status and stabilising our internal environment.

We will do this through improved governance, permanent appointments in critical positions and enhanced capacity to improve performance.

Appreciation

I would like to thank the Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi, and the Minister of Labour, Mr Membathisi Mdladlana, for their continued interest and support of the PSETA's activities. I also thank my fellow Board members for their guidance and our valued partners, stakeholders and suppliers for their contribution to our activities.

A special word of appreciation goes to the PSETA team for the efforts in taking the PSETA forward on its journey to provide public sector workers with the skills and competence needed to deliver service excellence to the South African community.

Going forward

In going forward, we will institute a dialogue with the Departments of Labour and Public Service & Administration, as well as with the South African Management Development Institute (SAMDI), to clarify roles and responsibilities. The allocation of high level training and skills development in the public sector to one of these three institutions will greatly facilitate delivery against the success indicators of the NSDS in the national interest.

I look forward to the PSETA's achievements in the year ahead and to seeing it increasing its impact on the successful implementation of training and skills development in the public sector.

Mr Tahir Maepa
Chairperson, PSETA Board
27 August 2008



REPORT BY THE CHIEF EXECUTIVE OFFICER



Mr Siphon Majombozi, CEO
(caretaker role)

This Annual Report presents the activities of the PSETA for the financial year ended 31 March 2008.

As the Public Service Sector Education and Training Authority (PSETA), we strive to develop a public sector workforce that delivers service excellence to the people of South Africa.

We are inspired by a vision of empowering workers with the appropriate education, skills and training to render quality services, comparable with world-class standards.

Mandate, scope and business environment

Our mandate is to facilitate, coordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the development of transversal skills in the public service and coordinate public service interests across line-function SETAs. (*PSETA Constitution, Government Gazette No 28005, 8 September 2005*).

As such, our aim is to provide appropriate, adequate and accessible education, training and skills development to public sector workers and the unemployed interested in serving in the public sector.

The scope of our activities covers all transverse and generic skills development for the public sector through learnerships, sector skills planning based on the workplace skills plans submitted by all PSETA members, grant disbursements, and education and training quality assessment and accreditation. We are also responsible for the quality assurance of transversal training within all national and provincial government departments and selected parastatals.

The PSETA's business environment is contextualised by our mandate and its alignment with the sector-related strategic objectives of the NSDS II and those of the government's Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and Joint Initiative for Priority Skills Acquisition (JIPSA). We also support the government's *Batho Pele* (putting people first) principles. The strategic focus areas of the PSETA in giving effect

to its mandate and achieving the public sector-specific NSDS II targets for the reporting period included:

- creating a framework for effective governance
- developing and positioning the PSETA brand
- improving service delivery
- entrenching strategic relationships and
- implementing equity principles.

Achievements and progression

Our performance against our objectives for the year under review are reflected in the Performance Review section of this annual report. I briefly report on some of these here.

During the reporting period we developed and registered 30 skills programmes against a target of 20 and completed procurement processes for the development of learning frameworks in consultation with the public sector. In addition, 2 485 workers enrolled in and 1 467 completed learnerships against respective annual targets of 1 300 and 800. A total of 708 unemployed people entered learnerships and 1 270 completed their programmes.

We simplified and combined the workplace skills plan (WSP) and annual training report (ATR) into a single template, which resulted in the submission of 95 reports with 55 outstanding from a total of 150 national and provincial departments. We also trained a further 45 skills development facilitators to increase the capacity in government departments to implement skills development programmes, while the 178 trained skills development facilitators are now using the PSETA Career Guide, specifically as it relates to developing scarce skills. This is a considerable achievement against the NSDS target of training 75 SDFs.

Our Education and Training Quality Assurance (ETQA) unit continued to comply with its South African Qualifications Authority (SAQA) brief in all instances. The relationship with the South African Management Development Institute (SAMDI) was strengthened and synergies optimised to respond to an increase in requests from training providers for accreditation against public service unit standards and qualifications. In the year ahead the ETQA unit will, amongst others, implement a capacity development programme to assist SMME (small, medium and micro enterprise) training providers with accreditation.

REPORT OF THE CHIEF EXECUTIVE OFFICER *(continued)*

Our continued interaction with SAMDI and departmental training academies resulted in the launch of a pilot Institute for Sectoral or Occupational Excellence (ISOE) project in Kimberley to improve the quality of training provision.

The PSETA currently recognises 25 qualifications and we have entered into a joint implementation plan with SAQA to develop additional qualifications. This acceleration of accreditation is critical for the PSETA to respond effectively to the public sector demand for skills development.

We also launched a number of initiatives to create awareness about the PSETA. These included participation in career exhibitions and presenting interactive skills planning workshops for employer representatives and skills development facilitators in all nine provinces.

A number of challenges in the PSETA's business environment affected our progression towards achieving some of our NSDS annual targets. These included the current grant-funding financial model and lack of sufficient human resources in certain key delivery areas. I am confident, however, that these issues will be addressed in the year ahead.

Stakeholder communication

The need to widely communicate the PSETA's service offerings within the public sector directed our focus during the year under review to increasing and improving our communication and interaction with all stakeholders. To give greater effect to this, we developed a communication strategy and communication policy for the PSETA, which will be implemented in the next financial year.

Other key focus areas included communication with stakeholders to identify and address critical skills needs and accelerate quality training in the workplace. We also provided information to designated groups, including new entrants, about participating in accredited work-integrated learnerships and work-based programmes to acquire the skills needed to enter the labour market or become self-employed. Our participation in a number of career exhibitions included the Laphumilanga Career Expo in Khayelitsha, where we interacted with learners keen to obtain information about careers and further education opportunities.

Ongoing challenges, which will be addressed in the year ahead, include the need for a well-defined corporate identity and improved internal communication processes and systems

to establish an organisation culture that supports pro-active collaboration and informed decision-making.

A significant challenge, which is an ongoing focus, is to encourage government departments to utilise 1% of their human resource budgets for skills development.

Investing in our people

The knowledge and commitment of our people contributed to a number of achievements during the period under review. Our core team has accumulated considerable expertise in the implementation of key initiatives in facilitating learnerships, coordinating skills planning and functioning as the education and training quality assurance (ETQA) body for the public service.

As at 31 March 2008 the PSETA's staff complement, reflected in Table 3, consisted of 19 (2007: 20) employees. During the year a number of employees engaged in formal tertiary

Table 1 PSETA staff complement for the 2007- 08 financial year

POSITION	NO	LEVEL	EQUITY
Chief Executive Officer (CEO)	1	PN*	BM
Skills Planning Manager	1	13	BM
Learnership Manager	1	13	BF
ETQA Manager	1	13	BM
Grant Disbursement Manager	1	12	BF
Learnership Specialist	3	11	BF
Provider Accreditation & Learner Achievement Specialists	1	11	WM
Researcher	1	10	BM
Public Relations & Marketing Officer	1	9	BM
Administrator Personal Assistant	1	6	BF
Administrator Learnership	1	6	BF
Administrator Skills Planning	1	6	BF
Administrator Contract ETQA	1	6	BF
Administrator Contract Learnerships	1	6	BF
Administrator Contract CEO's Office	1	6	BF
Intern Skills Planning	1	-	BF
Total	19		

* Black male (BM), White male (WM), Black female (BF), Personal notch (PN)





Providing assistance in the Office of the CEO, Mr Rampote-Ramapena Chauke (sitting) with (standing ltr) Ms Lavhelesani Mainganye and Ms Khathutshelo Naledzani.

education and skills development aligned to their key result areas. Skills training included in-house training, short courses and workshops.

Our ongoing focus in creating human resource capacity for the PSETA is on creating competence and establishing a performance-orientated work environment.

Financial overview

The PSETA operates within the regulations of the National Treasury. Its funding through the DPSA covers mainly procurement, employee compensation and the routine operations of the PSETA. As such, its financial statements were audited and prepared by the DPSA auditors.

Funding for the PSETA for the 2007-08 financial year amounted to R18,4 million (2007: R15,5 million). Funding for the 2008-09 and 2009-10 financial years have been approved for R21 million and R24 million respectively. The PSETA's capital, reserves and liabilities as at 31 March 2008 amounted to R25 482 673 million (2007: R25 183 451 million).

The current financial model does not make provision for initiating skills development training projects. This issue and

that of placing the PSETA on an autonomous footing as a public entity will be addressed in the next financial year to enable more effective progress towards fulfilling its education, training and skills development mandate.

Appreciation

In closing, I wish to thank our Board members for their guidance and support and our stakeholders for their interest and contribution to our achievements. We thank Minister Geraldine Fraser-Moleketi and Minister Membathisi Mdladlana, and their officials in the Departments of Public Service & Administration and of Labour respectively, for their cooperation and assistance to the PSETA in the delivery of its services. A special word of appreciation goes to our staff for their efforts and commitment to achieving our objectives.

Way forward

The PSETA made important progress during the past year. In going forward, as aligned with Minister Geraldine Fraser-Moleketi's budget vote statement to Parliament in May this year "to rise to the challenge of massifying public sector training to a scale where it will have meaningful impact, five to tenfold from what we have been achieving thus far", our focus now is on boldly improving our processes and procedures to increase our impact on creating a competent public sector workforce.

In the year ahead, we will continue to apply our knowledge and expertise to address sector-specific education and training needs through the implementation of learning, internship and skills development programmes, skills planning activities and education and training quality assurance services.

Board approval

In the opinion of the PSETA Board, the information contained in this report fairly reflects the operations and financial position of the PSETA for the indicated period.

Mr Siphon Majombozi
CEO
27 August 2008



PERFORMANCE REVIEW

The mandate of the PSETA is to facilitate, coordinate and monitor the implementation of the National Skills Development Strategy (NSDS) in the development of transversal skills in the public service and coordinate public service interests across line-function SETAs

The PSETA provides appropriate, adequate and accessible education, training and skills development to public servants and the unemployed interested in employment in the public sector. It is also responsible for quality assurance of transversal training amongst all national and provincial departments and administrations, and selected parastatals.

The strategic focus areas of the PSETA in giving effect to its mandate and performing against the indicators of the NSDS II are to create a framework for effective governance, improve service delivery, entrench strategic relationships, implement equity principles and develop and position the PSETA brand.

Its business goals are to:

- Prioritise and communicate critical skills for sustainable growth, development and equity.
- Promote and accelerate quality training for all in the workplace.
- Promote employability and sustainable livelihoods through skills development.
- Assist designated groups, including new entrants and the unemployed, to participate in accredited learning and work-based programmes to acquire critical skills and enter the labour market or become self-employed.
- Improve the quality and relevance of education and training.

Following from these goals, the PSETA Board identified the following strategic objectives for the year under review:

- Develop internal capacity within the authority to deliver on strategic objectives.
- Develop a funding model to ensure financial sustainability and the implementation of PSETA programmes.
- Build capacity for effective skills planning and implementation in the Public Service.



The PSETA employees at a team building workshop seen here working together in artistic endeavour and proudly displaying the fruits of their labour.

- Support training for employment opportunities and performance improvement.
- Monitor and evaluate skills development activities in the Public Service.
- Quality assure training providers active in the Public Service.
- Develop standards that address skills needs in the Public Service.

These objectives are aligned with the NSDS II indicators and service level agreement targets as selected in Table 2, which highlights the PSETA's key outputs and performance for the 2007/08 financial year.

Table 2 Performance against NSDS II indicators and PSETA strategic objectives

NSDS II SUCCESS INDICATORS	2005-2010 TARGETS	PSETA 07'08 TARGETS	PERFORMANCE AT END MARCH 2008	VARIANCE REMARKS
1. Prioritising and communicating critical skills for sustainable growth, development and equity.				
1.1 Skills development supports national and sectoral growth, development and equity priorities	Target the same for each year from 2005-2010 as described under annual target	Update Sector Skills Plan (SSP) with qualitative content and submit to Departments of Labour (DoL) and Public Services & Administration (DPSA)	<ul style="list-style-type: none"> Sector Skills Plan updated, signed by delegated officials and submitted to relevant Departments 	Met target
1.2 Information on critical skills widely available to learners and impact researched, measured and communicated	Target the same for each year from 2005-2010 as described under annual target	Annual guide for critical skills needs developed and available to learners and 75 skills development facilitators and sector specialists trained in its use	<ul style="list-style-type: none"> Sector Career Guide developed and 178 skills development facilitators trained on its use 45 additional skills development facilitators trained Capacity building workshops for skills development facilitators held 	Targets exceeded
2. Promoting and accelerating quality training for all in the workplace.				
2.3 By March 2010 at least 80% of government departments to spend at least 1% of human resource budgets on training and impact of training measured and reported	Target the same for each year from 2005-2010 as described under annual target	25 national and 60 provincial government departments respectively to spend at least 1% of human resource budgets on training and service delivery measured and reported	<ul style="list-style-type: none"> Workplace Skills Plan (WSP) and Annual Training Report (ATR) combined into simplified, single template to facilitate submission Total of 72 national and provincial departments complied 	Variance to be addressed in the forthcoming financial year
2.7 By March 2010 at least 700 000 public sector workers entered and achieved ABET Levels 1-4	Target the same for each year from 2005-2010 as described under annual target	2 500 workers registered and 600 workers achieved ABET Levels 1-4	<ul style="list-style-type: none"> 1 005 workers registered on ABET Levels 1-4 73 workers achieved ABET Levels 1-4 	Variance to be addressed in the forthcoming financial year
2.8 By March 2010 at least 125 000 workers assisted to enter and 50% to have completed programmes leading to basic entry, intermediate and high-level scarce skills	At least 125 000 workers entered and 50% completed programmes including learnerships and apprenticeships	Assisted 1 300 workers to enter learnerships and 800 workers to have successfully completed learnerships	<ul style="list-style-type: none"> 2 485 workers entered programmes 1 467 workers completed programmes 	Exceeded targets



PERFORMANCE REVIEW *(continued)*

Table 2 Performance against NSDS II indicators and PSETA strategic objectives (continued)

NSDS II SUCCESS INDICATORS	2005-2010 TARGETS	PSETA 07'08 TARGETS	PERFORMANCE AT END MARCH 2008	VARIANCE REMARKS
4. Assisting designated groups, including new entrants to participate in accredited work-integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.				
4.1 By March 2010 at least 125 000 workers from designated groups to enter and 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high-level scarce skills	At least 125 000 unemployed and students assisted to enter programmes including learnerships and apprenticeships, and at least 50% to have successfully completed programmes	At least 1 300 unemployed people entered and 650 successfully completed learnerships for basic entry, intermediate and high-level scarce skills	708 unemployed workers enrolled and 1 270 completed learnerships and apprenticeships	Exceeded completion target; variance in enrollment target to be addressed in the forthcoming financial year
4.2 Assist learners in critical skills programmes covered by sector agreements with FET and HET institutions to gain work experience locally or abroad	Assist 100% of learners in critical skills programmes to gain work experience and at least 70% to find placements or self-employment	333 learners assisted with workplace experience grants	<ul style="list-style-type: none"> No learners assisted with grants to gain workplace experience Developed Recognition for Prior Learning (RPL) strategy with communication and implementation plans 	Variance will be addressed in next financial year
5. Improving the quality and relevance of the provision of skills development.				
5.1 Establish Institutes of Sectoral or Occupational Excellence (ISOEs) through public private partnerships (PPPs)	Recognise and support 5 ISOEs in public institutions and through PPPs, across a wide geographic spread to attain critical skills	Support three ISOEs nationally through PPPs	PSETA provides technical support to public entities towards becoming ISOEs; no levy income available to support achievement of target	Records kept by public entities; not available to verify achievement against target

Significant emphasis will be placed on addressing the areas indicated in the Performance Table where the PSETA did not meet its targets during the year under review, specifically in assisting designated groups, including new entrants, with grants for work-integrated learning and work-based programmes, as well as improving the quality and relevance of skills development in the public sector.

The PSETA recently celebrated eight years as the SETA responsible for promoting skills development amongst government departments. The following section profiles the PSETA's activities in its key initiatives during the reporting period: facilitating learnerships, coordinating skills planning and fulfilling its role as a SAQA-accredited Education and Training Quality Assurance (ETQA) body for the public sector.



KEY INITIATIVES LEARNERSHIP UNIT



*Ms Mamello Mahomed,
Learnerships Manager.*

The focus of the PSETA Learnerships Business Unit – in support of NSDS strategic priorities - is to develop, register and promote learnerships, skills programmes and other education programmes for the public service through:

- *identifying workplaces for practical work experience*
- *supporting the development of learning materials*
- *improving the facilitation of learning*
- *assisting in the conclusion of learnership agreements*
- *registering and managing learnership agreements, and*
- *supporting, monitoring and evaluating the implementation of learnerships.*

The PSETA acts as an authoritative advisor to government departments on the implementation, monitoring and evaluation of learnerships.

Our objectives for the year under review were to:

- develop occupationally focused learnership opportunities
- facilitate, monitor and evaluate the implementation of learnerships and related reporting by government departments
- ensure compliance with quality assurance processes through entering into project agreements with line function SETAs to manage learnerships and related agreements, and
- finalise outstanding learner achievement certificates.

During the reporting period we increased our interaction with employers and human resource departments to encourage the use of learnerships registered with the PSETA, as well as with other SETAs/ETQAs representing different sectors of the economy.

We developed 8 learnerships (2007: 5) against a target of five and registered 5 of these (2007: 5) with PSETA qualifications. Two will be registered in partnerships with the Education, Training and Development Practices (ETDP) SETA. We also developed 30 skills programmes (2007: 20) against a target of 20, and completed procurement processes for the development of learning frameworks in consultation with the public sector. These will be developed in the forthcoming financial year.

We concluded service level agreements with the following quality assurance bodies to clearly

delineate our areas of cooperation for the implementation of learnerships:

- South African Board for Personnel Practice (SABPP)
- Construction SETA
- Energy SETA
- Financial and Accounting Services SETA
- Manufacturing, Engineering and Related Services SETA
- Services SETA
- Tourism, Hospitality and Sport Education SETA.

Outstanding learner achievement certificates were processed and certificates in Project Management awarded to 806 learners, whilst 52 learners completed their Final Summative Assessments with the Services SETA. An agreement was reached with the SABPP to award skills programme certificates in Human Resource Management and Practice Support to 562 learners.

Internally, process improvements included a review of our internal value chain processes, the development of assessment recording tools and a revision of the monitoring template to include quality assurance for learner achievements. We also aligned the learnership agreement form with new regulations. Reports were monitored to track learner status regarding termination, absorption and disputes, and a framework developed for compulsory induction prior to the signing of learning agreements.

Achievements against objectives

In many instances, the Learnerships Unit exceeded its service level agreement (SLA) targets for the year under review. Our performance against our objectives, and the SLA targets as aligned with the NSDS II indicators, are reflected in the following Tables.



Table 3 PSETA Learnerships Programme performance against business objectives for the period 1 April 2007 to 31 March 2008

LEARNERSHIPS OBJECTIVES 2007/08	PERFORMANCE AGAINST OBJECTIVES
Develop and register 5 learnerships and 20 skills programmes	<ul style="list-style-type: none"> 8 learnerships identified and developed 5 learnerships registered with PSETA 2 learnerships pending registration with ETDPSETA 30 skills programmes developed in consultation with the Public Sector
Enroll 1 300 employees into learnerships	<ul style="list-style-type: none"> 2 485 employees enrolled into learnerships, internships and skills programmes or received bursaries
Enter 1 300 unemployed people into learnerships, internships, skills programmes and bursaries with 650 successfully completing programmes	<ul style="list-style-type: none"> 708 unemployed people were entered into programmes and 1 270 successfully completed programmes
Develop a learnership implementation toolkit and distribute 200	<ul style="list-style-type: none"> Developed and distributed 300 learnership implementation toolkits
Develop 10 internships and 5 bursary focus areas	<ul style="list-style-type: none"> 20 internship focus areas implemented
Present one information sharing workshop for the Premier's office in each Province	<ul style="list-style-type: none"> Workshops on learnerships implementation presented in all Provinces

Table 4 Performance against Service Level Agreements (SLA) for enrollment and completion of learnerships for the year ending 31 March 2008

SLA SUCCESS INDICATOR 2.7: ENTRIES		
INDICATOR	TARGET 07/08	ACHIEVED
Workers registered in ABET level 1	1 300	322
Workers registered in ABET level 2	650	223
Workers registered in ABET level 3	275	214
Workers registered in ABET level 4	275	246

SLA SUCCESS INDICATOR 2.7: COMPLETIONS		
INDICATOR	TARGET 07/08	ACHIEVED
Workers achieved ABET level 1	250	9
Workers achieved ABET level 2	200	9
Workers achieved ABET level 3	120	7
Workers achieved ABET level 4	80	48

SLA SUCCESS INDICATOR 2.8: ENTRIES		
INDICATOR	TARGET 07/08	ACHIEVED
Total number of workers entered learnerships	1 300	2 485
Workers entered learnerships	300	478
Workers entered apprenticeships	200	0
Workers entered into unit standard-based skills programmes	550	1 873
Workers received bursaries	250	134

SLA SUCCESS INDICATOR 2.8: COMPLETIONS		
INDICATOR	TARGET 07/08	ACHIEVED
Total number of workers completed learnerships	800	1 467
Workers completed learnerships	150	8
Workers completed apprenticeships	50	0
Workers completed unit standard-based skills programmes	400	1 223
Workers completed studies with bursaries	75	236
Workers completed internships	125	0



Table 4 Performance against Service Level Agreements (SLA) for enrollment and completion of learnerships for the year ending 31 March 2008 (continued)

SLA SUCCESS INDICATOR 4.1: ENTRIES		
INDICATOR	TARGET 07/08	ACHIEVED
Unemployed entered learnerships	1 300	708
Unemployed entered learnerships	605	296
Unemployed entered into apprenticeships	655	0
Unemployed entered unit standard-based skills programmes	20	309
Unemployed received bursaries	20	103

SLA SUCCESS INDICATOR 4.1: COMPLETIONS		
INDICATOR	TARGET 07/08	ACHIEVED
Unemployed completed learnerships	650	1 270
Unemployed completed learnerships	347	1 188
Unemployed completed apprenticeships	10	0
Unemployed completed unit internships	170	0
Unemployed completed studies with bursaries	123	82

In response to our mandate to support government departments in the implementation of learnerships, we signed Memoranda of Understanding (MoU) with other SETA ETQAs to clarify the terms of our cooperation, coordinate the performance of

their functions and promote consistency in the application of their quality assurance policies and procedures. The MoUs and related information are reflected in Table 5.

Table 5 Memoranda of Understanding signed with other SETA ETQAs for the implementation of learnerships as at 31 March 2008

LEARNERSHIP	NQF LEVEL	NO OF LEARNERS	ETQA
Construction Contracting Construction Masonry Construction Carpentry	2 3 3	49 14 5	CETA (Construction Education and Training Authority)
Electrical Engineering	3	13	ESETA (Energy Sector Education and Training Authority)
Public Sector Accounting Internal Auditing Technician	4 6	57 20	FASSET (Financial and Accounting Services Sector Education and Training Authority)
Air Conditioning and Refrigeration Mechanical Engineering (fitting) Computer-aided Drawing Technician	3 2 6	20 13 8	MERSETA (Manufacturing, Engineering and Related Services Sector Education and Training Authority)
Public Administration	3	63	PSETA
Human Resource Management	4	86	SABPP (SA Board for Personnel Practice)
Marketing and Communication Project Management Business/Office Administration	4 4 3	10 20 16	SSETA (Services Sector Education and Training Authority)
Fast Food Services	3	6	THETA (Tourism, Hospitality and Sport Education and Training Authority)



KEY INITIATIVES *(continued)*

Learnerships and interns registered with the PSETA and implemented by government departments as at 31 March 2008 are reflected in Table 6.

Table 6 PSETA registered learnerships and departmental implementation as at 31 March 2008

PROVINCE	GOVERNMENT DEPARTMENT	LEARNERSHIP	NQF LEVEL	NO OF LEARNERS	EQUITY TARGETS			
					FEMALE	BLACK	DISABLED	
LEARNERSHIPS								
Gauteng	Tourism	Air Conditioning & Refrigeration	3	20	12	20	1	
		Civil Technician	6	5	1	3	0	
		Computer-aided Drawing	3	8	0	8	0	
		Construction Masonry	3	14	3	14	1	
		Construction Carpentry	3	6	3	6	0	
		Electrical Engineering	3	7	5	7	0	
		Mechanical Engineering (fitting)	2	13	5	13	0	
		Public Administration	3	32	23	32	3	
		Public Sector Accounting	4	21	18	19	0	
	Premier's Office	Internal Auditing Technician	6	20	11	20	1	
	Public Works	Public Sector Accounting	4	17	14	15	0	
Limpopo	Agriculture	Human Resource Management	4	40	14	39	0	
National	Government Communication & Information Services	Marketing & Communication	4	10	7	10	0	
	Foreign Affairs	Human Resource Management	4	15	10	15	0	
	Office of the Public Service Commissioner	Human Resource Management	4	6	2	6	2	
		Business Administration Service	4	4	1	4	2	
	Presidency	Public Administration	3	9	8	9	0	
	Public Service & Administration	Human Resource Management	4	10	5	8	1	
North West	Finance	Public Sector Accounting	4	22	11	22	0	
	Local Government	Construction Contracting	2	49	19	49	3	
DEPARTMENTAL IMPLEMENTATION								
Free State	Education	Business Administration	3	121	89	121	0	
		End-user Computing	3	89	31	89	0	
		Registered Accounting Clerk	3	60	26	60	0	
		Registered Bookkeeping	4	29	19	29	0	
		Small Business Financial Management	4	50	26	50	0	
Gauteng	Agriculture, Conservation & Environment	Systems Development	4	3		3	1	
		Technical Support	4	5	2	0	1	
Western Cape	Agriculture, Conservation & Tourism	NC Animal Production	1	13	3	13	0	
			3	10	2	8	0	
		NC Farming	2	26	11	26	0	
			4	78	29	77	0	
			1	47	23	47	0	
			1	17	15	17	0	
		NC Plant Production	4	16	3	15	0	
			4	58	24	58	0	
			3	23	4	22	0	
			3	10	2	8	0	
		Education	Business Administration Services	3	9	5	8	0
		Office of the Premier	NC Labour Relations	5	7	4	7	0
Treasury	IAT Learnership	N/A	20	9	11	0		



Table 6 PSETA registered learnerships and departmental implementation as at 31 March 2008 (continued)

PROVINCE	GOVERNMENT DEPARTMENT	LEARNERSHIP	NQF LEVEL	NO OF LEARNERS	EQUITY TARGETS			
					FEMALE	BLACK	DISABLED	
INTERNS								
Limpopo	**Refer key at bottom of table	BAdmin Human Resource Management	5	9	6	9	0	
		BA Criminal Justice	6	1	0	1	0	
		BA International Relations	6	1	0	1	0	
		BCom	6	2	0	2	0	
		BCom Accounting	5	1	0	1	0	
		BCom Law	7	1	1	1	0	
		B Earth Science	6	1	1	1	0	
		B Environmental Management	8	1	1	1	0	
		B Environmental Science	5	6	4	6	0	
		B Environmental Science	5	1	1	1	0	
		B Environmental Science	6	2	2	2	0	
		BSc Water & Sanitation	5	1	0	1	0	
		BSc Water & Sanitation and						
		BSc (Hons) Geography	5	1	1	1	0	
		Business Management	5	1	1	1	0	
		Entrepreneurship and						
		Business Management	5	1	1	1	0	
		Human Resource Management	5	6	5	6	0	
		Internal Auditing	6	5	3	5	0	
		Legal Studies	5	1	1	1	0	
		Marketing Management	5	3	1	3	0	
		Public Admin & Management	5	3	2	3	0	
		Public Admin & Management	5	7	5	7	0	
		Public Admin & Management	6	4	2	4	0	
		Special Programme	6	1	0	1	0	
		Small Business Management	5	1	0	1	0	
Small Business Management	5	2	2	2	0			
Tourism Management	6	1	1	1	0			
Tourism Management	5	2	1	2	0			
Tourism Science (Masters)	6	1	1	1	0			
National	Education	BA	6	3	1	3	0	
		BA Commerce	6	2	0	2	0	
		BAccounting	6	1	1	1	0	
		BCom	6	1	1	1	0	
		BCom (Hons)	7	1	1	1	0	
		BTechnology	6	1	1	1	0	
		Certificate Computer Literacy	6	1	1	1	0	
		Internal Audit	6	1	1	1	0	
		Matric	4	2	1	2	0	
		ND Administration	6	1	1	1	0	
		ND Computer Science	6	1	1	1	0	
		ND Cost and Management Accounting	6	1	1	1	0	
		ND Financial Management	5	1	1	1	0	
		ND Human Resource Management	6	1	1	1	0	
		ND Information Technology	6	1	0	1	0	
		ND Office Management	6	2	0	2	0	
		ND Public Administration	6	1	0	1	0	
		ND Public Management	6	2	2	2	0	
		Secretarial Diploma	5	2	2	2	0	



KEY INITIATIVES *(continued)*

Table 6 PSETA registered learnerships and departmental implementation as at 31 March 2008 (continued)

PROVINCE	GOVERNMENT DEPARTMENT	LEARNERSHIP	NQF LEVEL	NO OF LEARNERS	EQUITY TARGETS		
					FEMALE	BLACK	DISABLED
National	Housing	BAdmin Local Government	5	1	0	1	0
		BAdmin Political Science	6	1	1	1	0
		BA Media Studies	6	1	0	1	0
		BA Visual Arts	6	1	1	1	0
		BCom Internal Audit	6	1	0	1	0
		BTech Information Technology	5	1	1	1	0
		Certificate Principles of Public Relations	4	1	1	1	0
		Dip Business Management	5	1	1	1	0
		Dip Computing Systems	5	2	1	2	0
		Information Science (Hons)	6	1	1	0	0
		ND Human Resource Management	5	1	1	1	0
		ND Information Technology	5	3	1	3	0
		ND Journalism	5	1	1	1	0
		ND Office Management	5	1	0	1	0
		ND Public Relations	5	2	2	2	0
Western Cape	Agriculture, Conservation & Environment	Agricultural Studies	6	1	0	1	0
		Community Safety	Agricultural Studies	5	116	71	75
	Cultural Affairs & Sports	Traffic Management	5	6	5	6	0
		Human Resource Management	4	12	6	10	0
	Economic Development & Tourism	Enterprise Development & Economic Empowerment	4	26	14	20	0
	Education	Employment Equity & Performance Management	5	35	22	24	0
		Town & Regional Planning	4	7	4	4	0
	Environmental Affairs & Development Planning	Town & Regional Planning	4	7	4	4	0
	Local Government & Housing	Professional & Project Management Services	5	4	2	3	0
	Office of the Premier	Personnel Management & Finance	5	29	14	17	0
	Provincial Treasury	Internal Audit	5	18	8	9	0
	Social Development	Finance and Human Resource Management	5	38	19	23	0
		Transport and Public Works	ND Civil Engineering	5	43	21	43
	ND Civil Engineering		5	6	5	4	0
	ND Electrical Engineering		5	6	4	2	0
ND Transport and Road Planning	5		6	1	1	0	

* BA: Bachelor of Arts
 BSc: Bachelor of Science
 IAT: Internal Auditing Technician
 ND: National Diploma

BCom: Bachelor of Commerce
 Dip: Diploma
 NC: National Certificate
 ** Departments names not available

Mentorships

Mentoring is one of the key drivers in workplace learning. Departments are expected to identify and develop senior officials to act as mentors. This indicates a readiness by departments to implement learnerships in the workplace. Since mentorship training is generic, the PSETA enters into an agreement with service providers to offer mentorship support programmes for all learnerships. This improves the quality of workplace experiential learning. Table 7 indicates the number of mentors trained during the year under review.



Table 7 Mentors trained during the 2007'08 financial year

PROVINCE	DEPARTMENT	MENTORS TRAINED
Gauteng	Agriculture, Conservation & Environment	46
Western Cape	Agriculture, Conservation & Environment	93
Western Cape	Community Safety	41
Western Cape	Cultural Affairs & Sport	15
Western Cape	Economic Development & Tourism	29
Western Cape	Environmental Affairs & Development Planning	7
Western Cape	Local Government & Housing	8
Western Cape	Office of the Premier	7
Western Cape	Social Development	27
Western Cape	Transport & Public Works	12
	Total	285



The Learnership Unit (sitting ltr) Ms Johanna Modiga and Ms Mary-Ann Moseunyane and (standing ltr) Ms Koketso Makgoka, Ms Thelma Monaledi and Ms Dikeledi Nthite.

Skills programmes and learning frameworks

Similar to learnerships, skills programmes must comply with the requirements of the Skills Development Act. When completed, these programmes constitute credits towards a National Qualification Framework registered qualification.

Learning frameworks are used to guide accredited service providers in developing learning material for learners in contact sessions and in the workplace to gain experience in their specific fields of endeavour.

Tables 8A and 9 reflect PSETA registered learning and skills programmes and related qualifications implemented during the past financial year, while Table 8B indicates

the learnerships which were dormant in the Department of Labour database for the same period and have been deregistered.

While we have experienced a number of highlights and exceeded some of our NSDS targets during the past year, a number of challenges remain. The PSETA's role in learnerships needs to be broadened to initiate and drive, as well as facilitate, the implementation of these programmes. This will give the Authority the stature and credibility it needs to effectively respond to issues such as compliance by departments with the registration and implementation procedures for learnerships and PSETA qualifications and receiving the information needed to enable evidence-based reporting on government's skills development expenditure.



KEY INITIATIVES *(continued)*

Table 8A Registered learnership and related qualifications as at 31 March 2008

QUALIFICATIONS					LEARNERSHIPS		
ETQA	TITLE	ID NO	*NQF LEVEL	REG SETA	TITLE	DEPARTMENT OF LABOUR REG NO	CREDIT
PSETA	FETC Public Administration	57824	4	PSETA	Public Administration Supervisor	21Q210017271774	177
					Public Administration Supply Chain Management	21Q210016261794	179
PSETA	Public Finance Management	49554	5	PSETA	Public Finance Management	21Q210019232825	282
PSETA	NC Public Administration	50060	5	PSETA	Public Administration Procurement	21Q210020291875	141
PSETA	NC Public Administration	50060	5	PSETA	Public Administration Leadership	21Q210020271875	141
PSETA	NC Public Administration	50060	5	PSETA	Public Administration (middle management)	21Q210018371415	141
PSETA	N C Immigration Services	50438	5	PSETA	Immigration Services	21Q210023271505	120
PSETA	N C Immigration Law Enforcement	50418	5	PSETA	Immigration Law Enforcement	21Q210024251205Still	140
PSETA	NC Port Control and Admissions	50419	5	PSETA	Port Control & Admissions	21Q210022301665	144

* FECT: Further Education and Training Certificate NC: National Certificate NQF: National Qualifications Framework

Table 8B Deregistered learnership as at 31 March 2008

LEARNERSHIP TITLE	DEPARTMENT OF LABOUR REGISTRATION NO	CREDITS	NQF LEVEL
Customs Clearance	21Q210009241413	141	3
Customs Clearance	21Q210010241464	146	4
Project Management	21Q210001321664	166	4
Human Resource Management	21Q2100014311404		4
Technical Workshop Support Services	21Q210007361201	120	1



Table 9 Registered skills programmes and related qualifications as at 31 March 2008

QUALIFICATION	SKILLS PROGRAMME	LEVEL	ID NO
Immigration Services	Communication	5	50438
	People Management		
	Control Movement of People across International Ports		
	Supervision of Administration		
	Understanding Legislation		
Immigration Law Enforcement	Investigation and Leading Evidence	5	50418
	Perform Immigration Functions		
	Carry out Arrest and Arrange Detention		
	Assist with Prosecution of Offenders		
Port Control and Admissions	Understanding the Legal Framework	4	50419
	Information Resources to Protect the Country		
	Discouragement of Xenophobic Behaviour in Customer Service		
	Understanding Legislation		
Public Administration	Administering Deportation	4	57824
	Supply Chain Management		
	Data Management		
	Communication in Language of Instruction		
	Problem Solving		
	Customer Service		
	Finance		
	Mathematical Literacy		
	Supervision		
Public Administration	Public Administration Legislation	5	50060
	Financial Management		
	Information Knowledge and Records		
	Project Management		
	People Management / Training and Development		
	Legislative Framework		
	Service Delivery		
	Procurement		
	Organisational Development		
Labour Relations			
Strategic Management / Leadership			

Way forward

In the year ahead dedicated funds will be allocated to drive targeted learnership programmes and Adult Basic Education and Training programmes at NQF Level 1. We will also continue with our annual workshops and participation in Provincial forums to facilitate the

implementation of learning and skills development programmes. Guidelines for the use of the 1% (minimum) allocation to skills development from human resource budgets will be distributed to departments and learning materials developed to promote qualifications and the approval of programmes. We will also improve our performance in registering qualifications.



KEY INITIATIVES SKILLS PLANNING



Mr Daniel Makhetha,
Skills Planning Manager.

- The focus of the PSETA Skills Planning business unit – as aligned with NSDS strategic priorities – is to:
- promote integration and coordination of needs-based training in the public service through the development of a Sector Skills Plan (SSP) and the Workplace Skills Plans (WSPs)
 - monitor and evaluate implementation against these plans through Quarterly Monitoring Reports (QMRs) and the Annual Training Reports (ATRs)
 - report on all training interventions in the public sector through a quarterly Schedule 2B report to the Department of Labour
 - develop and implement mechanisms of assessing the impact of training in the sector; and
 - coordinate research to enhance skills development in the sector.

During the year under review, our skills planning objectives included:

- actively encouraging departments to invest at least 1% of their human resource budgets in training, as required by the Skills Development Act
- updating the Sector Skills Plan (SSP) with qualitative content through the identification of skills gaps and development requirements, and
- building capacity for skills planning and implementation.

Achievements against objectives

A number of capacity building workshops for skills development facilitators in the public sector were held to coordinate and manage the development and implementation of workplace skills plans within national and provincial departments.

In response to concerns about complicated reporting templates, the workplace skills plan (WSP) and annual training report (ATR) templates were simplified and combined into a single use-friendly template.

Table 10 Submission of Work Skills Plans (WSPs) and Annual Training Reports (ATRs)

NATIONAL / PROVINCIAL DEPARTMENTS	WSPs/ ATRs EXPECTED	WSPs/ ATRs SUBMITTED
National departments	34	12
Legislatures	10	5
Provincial departments		
Eastern Cape	12	5
Free State	12	3
Gauteng	12	12
Kwa-Zulu Natal	12	8
Mpumalanga	12	7
Northern Cape	11	5
Limpopo	11	6
North West	12	10
Western Cape	12	12
TOTAL	150	95



As a result, the quality of submissions showed a marked improvement from those previously received. Table 10 gives a breakdown of the WSPs and ATRs received during the 2007-08 financial year.

An analysis of the annual training reports received indicated that much of the training in the public sector is now aligned with the National Qualifications Framework (NQF) and a growing number of the courses offered are credit-bearing and recognised by the Department of Labour in terms of their Learnerships Matrix.

During the reporting period we trained a further 45 skills development facilitators in an effort to increase the capacity in government departments to implement skills development programmes. Thirty of those trained satisfied all requirements, including the submission of Portfolios of Evidence, and were declared competent.

The majority of government departments now have active training committees with individuals designated as skills development facilitators. In the forthcoming year the PSETA will assess the effectiveness of the training committees, monitor performance and continue to build capacity where needed.

A Sector Career Guide was developed in compliance with NSDS requirements and 178 skills development facilitators and human resource development practitioners from all provinces trained on its use. The Guide, which is aimed at learners at school, unemployed graduates and public servants, provides information about scarce and critical skills, career opportunities and career paths in the public sector and learnerships that have been registered by the PSETA.

Going forward

While good progress was made in increasing skills development services in the public sector, a number of challenges remain and will be addressed in the period ahead. These include continuous training for skills development facilitators to use the Organising Framework



The Skills Planning team with Ms Philisiwe Xulu (sitting) and Mr Abbey Sekokope (standing).

for Occupations to identify scarce and critical skills, and compliance by departments to use 1% of their human resource budgets for training and skills development.

Further incentives to encourage departments to timeously submit good quality workplace skills plans and annual training reports will be investigated and actioned. Assistance from the Department of Public Service and Administration and the Department of Labour in this regard will support the achievement of our goal of obtaining a submission rate of at least 80% in the forthcoming year.

We will also endeavour to distribute future editions of the Sector Career Guide more widely, to reach as many young people as possible.



KEY INITIATIVES

EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)



Mr Zamo Khuzwayo,
ETQA Manager.

The main functions of the PSETA ETQA unit are to:

- *accredit constituent training providers*
- *promote quality training amongst constituent training providers, and*
- *validate assessments*
- *register constituent assessors and moderators*
- *certify constituent learners*
- *facilitate the development of standards and qualifications*
- *review existing and/or recommends the development of new standards or qualifications*
- *upload learner records to the SAQA National Learner Record Database (NLRD), and*
- *maintain a quality database to support the Authority.*

The PSETA ETQA unit monitors and audits the provision of learning and achievements of competence against national standards as registered in the National Qualifications Framework (NQF). The unit is accredited by the South African Qualifications Authority (SAQA) to provide the public service sector with a quality assurance.

Our key performance areas are aligned with the overall achievement of the PSETA vision and mission. These include maintaining the Authority's ETQA status, receiving an unqualified SAQA audit report and reviewing its management information and quality management systems to improve service delivery.

Objectives for the 2007-08 reporting period

During the year under review our objectives were to:

- promote the objectives of the NQF within the public service learning framework
- support the implementation of the overall human resource development (HRD) strategy for the public service
- assist strategic providers in the public sector to achieve ISOE (Institute for Sectoral or Occupational Excellence) status
- ensure that the sector has an adequate number of accredited training providers to support sectoral demands and provide an expected level of service quality

- accredit training providers against full qualifications/ skills programmes to provide sector-specific scarce and critical skills
- commission the development of a Recognition of Prior Learning (RPL) strategy for the public sector
- increase our support to government departments and other stakeholder to improve the implementation the NQF and their human resource development strategies, and
- facilitate the development and registration of sector-specific qualifications as requested by government departments.

Some highlights and achievements

The highlights achieved during the reporting period, some of which are also profiled in the highlights section of this report, give credence to the commitment of the employees in the ETQA unit.

We introduced evaluators to evaluate learnerships submitted to the PSETA for accreditation and programme approval, and completed the external verification of two learnerships for Local Employment and Skills Development Services and Inspection and for Enforcement Services. These were implemented by the Department of Labour. We also conducted stakeholder workshops in all nine provinces and signed a new joint implementation plan with SAQA to develop and register sector-specific qualifications reflected in Table 11, including those for Statistics South Africa and National Treasury.



Table 11 Sector-specific qualifications and related NQF levels for registration with SAQA

NLRD ID NO	QUALIFICATION	NQF LEVEL
49197	Further Education and Training Certificate: Social Housing Supervision	4
23976	National Certificate: Local Employment and Skills Development Practices	4
48513	National Certificate: Public Administration	3
49196	National Certificate: Social Housing Property Development	6
49198	National Certificate: Social Housing Property Management	6
48762	Advanced Certificate: Mission Administration	6
48726	Advanced Diploma: Diplomacy	7
57824	Further Education and Training Certificate: Public Administration	4
58346	Further Education and Training Certificate: Public Administration Management	4
49257	National Certificate: Conflict Management and Transformation	5
49055	National Certificate: Foreign Economic Representation	6
50418	National Certificate: Immigration Law Enforcement	5
50438	National Certificate: Immigration Services	5
49107	National Certificate: Inspection and Enforcement Services	5
48761	National Certificate: Mission Administration	5
50419	National Certificate: Port Control and Admissions	5
50060	National Certificate: Public Administration	5
57804	National Certificate: Public Administration	3
57805	National Certificate: Public Sector Employment and Skills Development Practices	5
50583	National Certificate: Public Service Communication	5
50585	National Certificate: Public Service Communication	6
57827	National Diploma: Public Administration	7
57897	National Diploma: Public Administration	6

Other highlights included the certification of 11 learners from the Presidency on the National Certificate in Public Administration Learnership (NQF level 3), the launch of a pilot ISOE (Institute of Sectoral or Occupational Excellence) project in Kimberley to promote the quality and relevance of sector-specific training amongst training providers.

We also facilitated the development of a Recognition of Prior Learning (RPL) policy, strategy and implementation plan for the public service sector, including its communication, monitoring and evaluation plan and an implementation 'toolkit' and guidebook. Implementation will start in the year ahead.

Performance against objectives

SAQA accreditation

The PSETA entered its final year of accreditation as an Education and Training Quality Assurance (ETQA) body for the public service sector during 2007, after re-

certification by SAQA in September 2005. In the intervening period we broadened our reach to stakeholders, increased the number of qualifications and unit standards and certified learning achievements against PSETA registered qualifications. We are currently preparing for the SAQA performance audit to accredit the PSETA with public sector ETQA status by September 2008.

Accreditation of training providers

The accreditation of training providers remains one of the main activities of the PSETA ETQA. During the year under review developments in the training arena, including the drive by the South African Management Development Institute (SAMDI) to broaden and intensify training collaboration, resulted in a marked increase in applications from training providers for accreditation against public service sector standards and qualifications. In the next year we will launch a capacity development project to assist SMME training providers with accreditation.



KEY INITIATIVES *(continued)*



The Recognition of Prior Learning (RPL) policy

- *Reflects the principles of the NQF with its objectives aligned with the SAQA Act 58 of 1995*
- *Acknowledges and assesses the existing knowledge and skills of individuals against NQF registered unit standards and qualifications*
- *Recognises that prior learning can be effectively used to support human resource development and management in the public service.*



Accreditation of new qualifications

The PSETA has registered 25 qualifications to date. During the past year we also signed a new joint implementation plan with SAQA to develop and accredit new unit standards and qualifications. This includes the accreditation of National Treasury's unit standards on strategic procurement and qualifications in statistics for Statistics South Africa. Both projects are currently at the scoping phase and will be finalised in the year ahead.

Business partnerships

The PSETA has become aware of non-accredited training providers that mislead government departments about their accreditation status. This often results in uncompleted projects with financial implications. During the past year we launched a business partnership initiative to address this issue. The emphasis has been on providing information on accredited training providers and guiding departments in the successful and cost-effective implementation of human resource development and NQF projects.

An assessment at year-end of the effectiveness of this model indicated significant improvements in this regard within departments, while the interaction gave the PSETA ETQA unit a better understanding of the challenges that exist at stakeholder level. This initiative will continue in the year ahead.

Service level agreements

During the past year we entered into service level agreements (SLAs) with a number of external providers to ensure that our response times and service levels are of a high standard. The SLAs include the evaluation of learnerships by subject matter experts, printing of certificates by a reputable printing firm, administration of the PSETA's management information system (MIS) and accreditation of independent auditors and external verifiers.

Registration of assessors

Qualified and registered constituent assessors and moderators are trained by training providers accredited through the Education, Training and Development Practices SETA to ensure that departments implement quality learnerships. We regularly updated the PSETA ETQA database, to which all stakeholders have access, with information on registered assessors and moderators, while all those listed in the database received letters confirming their three-year registration.

We also urged departments to use only qualified and registered constituent assessors and moderators and proposed three models of assessor training to ensure that practitioners are adequately trained. In future, applications for accreditation will only be considered for registered practitioners.

A series of workshops to address issues of assessment and moderation with stakeholders is planned for the 2008-2009 financial year.

Learning programme evaluator training

Training providers are required to submit training programmes to the relevant ETQA bodies for quality assurance. The PSETA ETQA uses subject matter experts with the requisite levels of experience and academic credentials to evaluate learning materials received from training providers who apply for accreditation. This ensures that the quality of learnerships is aligned with NQF requirements. Since the inception of this service two years ago, we increased the pool of experts, while the calibre of training providers accredited by the PSETA can be fully substantiated.

Recognition of prior learning sectoral framework

During the year under review we commissioned the development of a policy on Recognition for Prior Learning (RPL) for recommendation to the Department of Public Service and Administration as a framework to manage



this in the public service. The policy addresses the working reality of the public service and takes into account all role players including the employer, providers of RLP services, candidates and assessors, as well as the moderation, verification, recognition and certification of learning achievements.

The RPL policy, strategy and implementation guide (operations handbook and implementation 'toolkit'), communication strategy and monitoring and evaluation plan will make a significant contribution to the successful implementation of the government's 2007-2015 HRD strategy.

Systems management

The lack of efficient business systems affects the PSETA's ability to effectively serve its stakeholders, particularly SMME training providers.

A review of our quality management system during the reporting year revealed good policies and procedures but limited staff utilisation of the manual system. Attention will be given in the new financial year to upgrading the system and improving staff utilisation to enhance our service delivery in this regard.

We maintained our SAQA-compliant management information system and integrated our requirements with those of the DPSA to create HR Connect - the public service human resource development planning solution. In this regard, we were the first to pioneer a system with an interface between employers, SETAs and the government department that drives human resource development and policy in the public service.

We always strive to meet the submission requirements of the National Learners' Record Database and promote the regular submission of data by our training providers. We uploaded data on learners, registered assessors and accredited training providers onto the National Learners' Record Database in January 2008.



The ETQA team with Mr Deon Neethling (sitting) and (standing ltr) Mr Zamo Khuzwayo and Ms Suzan Motsepe.

The PSETA was amongst the first to successfully submit the error-free data needed to assess the effectiveness of the NQF.

Going forward

Our focus in the forthcoming period is on finalising our preparations for the SAQA performance audit. This self-assessment will identify the gaps in our service delivery for immediate attention. We will also prioritise our communication with stakeholders regarding the outcome of their applications for accreditation and registration.



CORPORATE GOVERNANCE

The PSETA delivers skills development through the Sector Education and Training Authority (SETA) framework and is the custodian of quality for public sector education and skills training programmes.

The governance structure of the Public Sector Service Education and Training Authority (PSETA) guides its strategic direction, operational effectiveness and performance measurement to ensure that it functions as a responsible and accountable public entity.

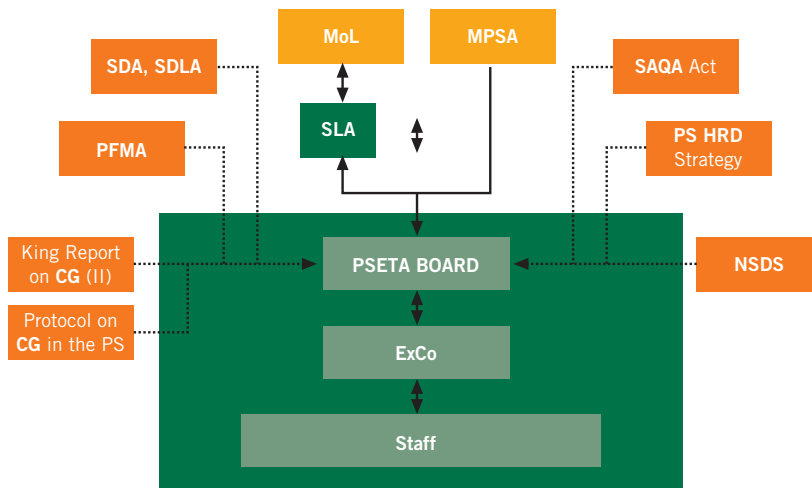
Framework

The PSETA is governed by the Skills Development Act, 1998 (SDA) as amended by the Skills Development Levies Act, 2003 (SDLA) and the PSETA Constitution as set out in the Government Gazette No 28005 Volume 483 of 8 September 2005. It was listed as an independent public entity as described in Schedule 3 of the Public Finance Management

Act, 1999 (PFMA) on 28 April 2006 and aims to become fully operational as an independent SETA in the forthcoming financial year.

The PSETA is mandated, as a SAQA-accredited SETA in accordance with the South African Qualifications Authority Act, 1995, to develop and implement a sector skills plan within the framework of the National Skills Development Strategy (NSDS) to promote, facilitate, coordinate and monitor the implementation of the NSDS in the Public Service.

The reporting lines, legislative framework and interactive stakeholder relationships through which the PSETA currently gives effect to its mandate are:



KEY

CG:	Corporate Governance	PFMA:	Public Finance Management Act
DoL:	Dept of Labour	PS:	Public Service
DPSA:	Department of Public Service & Administration	PS HRD:	Public Service Human Resource Development
ExCo:	Executive Committee	SLA:	Service Level Agreement
HRD:	Human Resource Development	SAQA:	South African Qualifications Association
MoL:	Minister of Labour	SDA:	Skills Development Act
MPSA:	Minister of Public Service & Administration	SDLA:	Skills Development & Learnerships Act
NSDS:	National Skills Development Strategy		



The relationship between the PSETA and the Department of Labour is governed by a service level agreement (SLA) that is renewed annually and confirms the PSETA's function in terms of the Skills Development Act and NSDS. The determination by the Minister of Labour in respect of the service level agreement is final and binding and it is the primary directive for the PSETA Board to guide the functioning of the PSETA.

Composition of the Board

The PSETA Board was established in October 2006 and inaugurated on 5 July 2007 by the Minister of Public Service and Administration as the authority accountable for ensuring sound governance. Its role is to provide leadership and direction to the PSETA on the achievement

of the NSDS targets applicable to the public service sector.

The Board is appointed by the Minister of Public Service and Administration, as the minister responsible for Public Service, for a term of five years and consists of 20 members comprising eight employer representatives (government at senior management levels); eight organised labour representatives; the Chief Executive Officer of the PSETA; one expert from each of the PSETA constituencies; and an independent Chairperson.

At least four Board meetings are scheduled annually and special meetings convened when necessary to consider urgent matters. Six Board meetings took place during the reporting period. Meeting dates and member attendance are reflected in Table 12.

Table 12 Equity status and attendance of Board members at Board meetings for the period 1 April 2007 to 31 March 2008

ATTENDANCE AT BOARD MEETINGS 1 APRIL 2007 TO 31 MARCH 2008									
Board member	Organisation	Equity status*	Meetings						Total
			4.7.07	29.7.07	7.8.07	28.8.07	13.9.07	30.11.07	
Bresler, Henk	PSA	WM					√		1
Fields, Fransico	POPCRU	CM			√		√		2
Heflin, Konkie	NEHAWU	BM	√	√	√	√	√	√	6
Huma, Percy	NEHAWU	BM	√	√	√	√	√	√	6
Khutsoane, Molaodi	Gauteng Shared Services Centre	BM		√	√		√		3
Kuhn, Ina	PSA	WF							0
Lebaka, Nontsasa	NEHAWU	BF			√	√	√	√	4
Maepa, Tahir (Chairperson)	PSA	BM				√	√	√	3
Mahapa, Alex	POPCRU	BM	√		√				2
Majombozi, Sipho	PSETA CEO	BM	√	√	√	√	√	√	6
Matlhape, Lese	IDC of South Africa	BM	√	√	√	√			4
Modipa, Rachel	Office of Premier, Limpopo	BF	√				√	√	3
Nhlapo, Vusi	Correctional Services	BM					√	√	2
Rowney, Sally	DPSA	WF		√	√	√			3
Zulu, Thabo	POPCRU	BF					√	√	2
Samboer, Astrid	PSA (alternate)	CF		√	√	√	√		4

* Black male (BM), Coloured male (CM), White male (WM)
Black female (BF), Coloured female (CF), White female (WF)

No Board appointments or resignations occurred during the 2007-08 financial year. The Board noted at its final meeting for the reporting period that the Public Service Association (PSA) representative Mr Darren Minnaar will replace Mr Henk Bresler as Board member in the forthcoming financial year.



CORPORATE GOVERNANCE *(continued)*

Governance Principles

The PSETA's governance principles rest on policies and procedures that include strategic planning, business goals and annually agreed objectives aligned with the National Skills Development Strategy, and the day-to-day management of these.

The Board is committed to the principles of accountability and integrity and its responsibilities are governed by the Public Finance Management Act, 1999, as amended, and guided by the principles outlined in the King II Corporate Governance Report. The Board approves the PSETA's mission, strategy, goals, operating policies and priorities and monitors compliance and performance against business objectives.

The determination by the Minister of Labour in respect of the service level agreement is final and binding and it is the primary directive for the PSETA Board to guide the functioning of the PSETA.

Standing Committees

These committees assist the Board in the performance of its functions and consist of an equal number of members from organised labour and employers. The PSETA currently uses the DPSA sub-committees, including the DPSA Audit Committee, and is negotiating a Memorandum of Understanding with the Department to formalise its operating relationship. At the Board meeting in October 2007 members were selected to serve on human resource and service delivery sub-committees, and will take up office in the forthcoming financial year.

Management

The CEO is accountable for the recruitment, appointment and management of all the PSETA employees and reports to the Board on all matters relating to operational and administrative management.

Mr Siphon Majombozi assumed office as CEO just prior to the reporting year end in February 2008 in a caretaker role to manage the affairs of the PSETA until the appointment of a new CEO. Prior to this Mr Majombozi served as the Chairman of the PSETA Board.

The previous CEO, Ms René Deschamps resigned at the end of March 2007 and Mr Clive Mtshisa was seconded from the DPSA in a caretaker CEO role from April 2007 to February 2008.

Governing the PSETA

Executive responsibility for the PSETA vests in the Chief Executive Officer (CEO), while the management team is responsible for strategy implementation and the day-to-day affairs of the organisation according to the policies, processes and systems approved by the Board.

Executive Committee

The Board is assisted by an Executive Committee (Exco) which consists of members appointed in accordance with the PSETA Constitution. The term of office of the Executive Committee is similar to that of the Board. The Committee is responsible for ensuring that the PSETA complies with the financial requirements of the Public Finance Management Act, 1999, its Constitution and other applicable legislation, and for the supervision of the operational management and administration of the PSETA and its managers. During the reporting period the Exco met once and all members attended.



Some of the PSETA Executive Committee members (standing ltr) Mr Siphon Majombozi, CEO and Mr Tahir Mapea, Chairman and (sitting ltr) Ms Rachel Modipa and Ms Nontsasa Lebaka. Exco members not represented here are Mr Molaodi Khutsoane, Mr Lese Mathlape, Dr Alex Mahapa, Ms Ina Kuhn and Mr Konkie Helfin.

Company secretarial function

A Company Secretary for the PSETA will be appointed in the next financial year to assist the Board with corporate governance assurance and monitor the PSETA's compliance with its relevant legislation, and report to the Board in this regard.

Board induction and orientation

During the forthcoming financial year Board members will complete an induction programme to enhance their understanding of the skills development legislative framework and the nature of business of the PSETA and related corporate governance principles.

Fiduciary duties of Board members

All Board members are aware of their fiduciary responsibilities and the need for fair, transparent and accountable decisions and actions. Board members are individually and collectively liable for all Board decisions and actions of omission and commission during their term of office.

Board member remuneration

A remuneration policy will be developed in the next financial year. During the reporting period, Board members were reimbursed for travel costs.

Financial management

The Board decides on the funding requirements of the PSETA and is responsible for financial statements that fairly present the state of affairs of the PSETA at the end of each financial year in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) and the prescribed Standards of Generally Recognised Accounting Practices (GRAP) as indicated in the financial statements to this Report. Full cognisance has been taken of the requirements of the PFMA and relevant Treasury regulations. During the reporting period, the PSETA's procurement and human resources financial management was conducted and managed by the DPSA and its financial statements audited by the DSPA auditors.

The Board is satisfied that an adequate accounting record was maintained for the year under review and transactions were made in accordance with the applicable laws and instructions, and in all material respects in accordance with the mandatory functions of the organisation determined by law or otherwise.

Ethics and Code of Conduct

The PSETA values excellence, performance, outputs and results, people development including equal opportunity and empowerment, as well as quality governance and service delivery. These values form the cornerstone of its interactions with internal and external stakeholders. Employees are expected to maintain the highest ethical standards, ensuring that business practices are employed in a manner that is beyond reproach. Processes are in place for transgressions to be investigated at Board level.

Board members are required to adhere to the Code of Conduct adopted by the Department of Labour as approved by its Minister, which reinforces their commitment to high moral, ethical and legal standards. The PSETA will prepare its own Code of Conduct for Board approval in the forthcoming financial year.

Materiality and signatory framework

National Treasury regulations, issued in terms of the PFMA, require that the PSETA Board compile a materiality and signatory framework for approval by the Department of Labour. This will be attended to in the next financial year.

Risk management and internal control

The Board is accountable for risk management and internal control to identify, assess, mitigate and monitor all known forms of risk. These include risks pertaining to political and economic factors, people skills, HIV/AIDS, technology, reputation, legislation compliance, professional liability and general operational and financial risks including segregation of duties and transaction approval frameworks. During the reporting period risks were managed through the DPSA internal audit and risk management team. The PSETA's risk management process and internal control system will be put in place in the forthcoming financial year.

ANNUAL FINANCIAL STATEMENTS
PUBLIC SECTOR EDUCATION AND TRAINING AUTHORITY
FOR THE YEAR ENDED 31 MARCH 2008

CONTENTS

Statement of Responsibility	33
Report of the Accounting Authority	34
Statement of Financial Position	35
Statement of Financial Performance	36
Cash Flow Statement	37
Statement of Changes in Net Assets	37
Notes to the Financial Statements	38



STATEMENT OF RESPONSIBILITY

Responsibility for Annual Financial Statements

The members of the Accounting Authority are responsible for the preparation of the Annual Financial Statements.

Approval of the PSETA Annual Financial Statements

The Annual Financial Statement for the year ended 31 March 2008, set out on pages 33 to 40, have been approved by the Accounting Authority in terms of section 51(1)(f) of the Public Finance Management Act (PFMA), no 1 of 1999 on 31 May 2008 and are signed on their behalf by:



David Mulovhedzi
Acting Chief Financial Officer



Sipho Majombozi
Acting Chief Executive Officer



REPORT OF THE ACCOUNTING AUTHORITY

The Board of the PSETA has pleasure in presenting their report on the activities of the entity for the financial year ended 31st March 2008.

Going concern

Board members believed that the PSETA will be a going concern in the foreseeable future. For this reason they continue to adopt a going concern basis in the preparation of these annual financial statements.

Governance

The Board is committed to the King Report on Corporate Governance for South Africa's 2002 (the "King Report 2002"). Through this process stakeholders may derive assurance that the PSETA is being adequately managed. The PSETA is regulated by Public Finance Management Act (PFMA) and it is listed as a schedule 3A Public Entity in line with the Policy Framework for the Governance and administration of the public sector institutions.

Composition of the Board

The composition of the Board is in line with the provisions of Section 11 of the Skills Development Act, 1998 which requires that the SETAS should carry out their mandate in consultation and co-operation with the stakeholders. The Board is constructed and approved by the DPSA.

The Board set and executed their fiduciary responsibilities in line with the Public Finance Management Act (PFMA). The Board under the ultimate responsibility of the Chairman created sufficient space to maintain a continuous overview of organisational effectiveness, efficiency, Board performance and conformance. The Chairman has no executive functions. The role of the Chairman and the Chief Executive Officer are separate.

The Chief Executive Officer is delegated with the responsibility of the day to day running of the PSETA.

Internal Control Systems

To meet its responsibility with respect to providing reliable financial information, the PSETA maintains financial and

operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately safeguarded against material loss of unauthorised acquisition, use, or disposal and those transactions are properly authorised and recorded.

Internal audit was carried out by the internal auditors of the DPSA to monitor the operations of internal controls and report findings and recommendations to management and Audit Committee of the DPSA. Corrective actions are taken to address control deficiencies and improve the systems as identified. The Board, through its Audit Committee of the DPSA, provides oversight to the financial reporting process and internal controls.

The Chief Executive Officer attends meetings of the Board and Executive Committee and Audit Committee by invitation and reports on activities of the DPSA. Being involved with the day to day business activities, the Chief Executive Officer is responsible for ensuring that decisions, strategies, and views of the Board are implemented.

Risk Management

Management is confident that risks are adequately and efficiently managed through DPSA internal audit and risk management team.

Audit Committee

The Board has delegated to the Audit Committee of DPSA the responsibility for the PSETA system of financial and operational controls.

Financial Management

The PSETA procurement and human resource financial management was conducted and managed by the DPSA.

Compliance with legal requirements

PSETA complied largely with the Public Finance Management Act (PFMA).

STATEMENT OF FINANCIAL POSITION

	Notes	31 Mar 08	31 Mar 07
ASSETS			
Non-current assets			
National Skills Fund	6	15,490,410	15,490,410
Current assets			
ABSA Current Account	5	9,992,263	9,693,041
TOTAL ASSETS		25,482,673	25,183,451
LIABILITIES			
Non-Current liabilities			
PSETA Grant & Disbursement Account	8	1,617,174	1,617,174
Trade and other payables	7	716,195	716,195
TOTAL LIABILITIES		2,333,370	2,333,370
CAPITAL AND RESERVES			
Retained Income		22,850,080	-
Surplus for the year		299,222	22,850,080
CAPITAL, RESERVES AND LIABILITIES		25,482,673	25,183,451

STATEMENT OF FINANCIAL PERFORMANCE

		<u>31 Mar 08</u>	<u>31 Mar 07</u>
	Notes		
REVENUE			
National Skills Income	6	-	25,536,524
Other Income	2	-	273,351
TOTAL REVENUE		<u>-</u>	<u>25,809,876</u>
EXPENDITURE			
Cost of Sales		-	-
Administrative expenses	3	645	
Other operating costs	3	-	3,065,192
TOTAL EXPENDITURE		<u>645</u>	<u>3,065,192</u>
SURPLUS FROM OPERATIONS			
Finance income	4	299,867	105,396
		<u>-645</u>	<u>22,744,684</u>
SURPLUS FOR THE YEAR		<u>299,222</u>	<u>22,850,080</u>



CASH FLOW STATEMENT

	Notes	31 Mar 08	31 Mar 07
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		22,744,684	22,744,684
Cash paid to suppliers and employees		-645	
Cash generated from/(utilised in) operations		299,867	105,396
Interest received	9.1	299,867	105,396
Net cash inflows/ outflows from operating activities		299,222	22,850,080
Movement in Working Capital		0	- 13,660,726
CASH FLOWS FROM INVESTING ACTIVITIES			
		0	0
CASH FLOWS FROM FINANCING ACTIVITIES			
		0	0
Net increase/(decrease) in cash and cash equivalents		299,222	9,189,353
Cash and cash equivalents at the beginning of the year		9,693,040	503,687
Cash and cash equivalents at end of the year	9.2	9,992,262	9,693,040

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus
Balance as at 1 April 2007	22,850,080
Surplus for the year	299,222
Balance as at 31 March 2008	23,149,302

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements
GRAP 2: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC1 01: Presentation of financial statements
ACI 18: Cash flow statements
AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

1.1.1 Terminology differences

Standard of GRAP

Statement of financial performance
Statement of financial position
Statement of changes in net asset
Net assets
Surplus/deficit for the period
Accumulated surplus/deficit
Contributions from owners
Distributions to owners
Reporting date

Replaced Statement of GAAP

Income statement
Balance sheet
Statement of changes in equity
Equity
Profit/loss for the period
Retained earnings
Share capital
Dividends
Balance sheet date

1.1.2 The cash flow statement was prepared in accordance with the direct method, therefore no change was brought about by the introduction of GRAP.

1.1.3 Specific information such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable;
- (c) trade and other payables from non-exchange transactions;
must be presented separately on the statement of financial position

1.1.4 The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 – 15 of GRAP 1 has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

1.2 Grants, transfer and other income recognition

Grants are recognised when there is reasonable assurance that the enterprise will comply with the conditions attaching to them, that grants will be received and these grants can be measured reliably.

1.3 Income received in advance

PSETA did not receive any income in advance

1.4 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and payables. Financial assets and liabilities are accounted for at cost.

1.5 Taxation

Public Sector Education and Training Authority is exempted from tax by the South African Revenue Services (SARS)

1.6 Cash flow

For purpose of the cash flow statement, cash includes cash on hand and deposits held on call with banks.

1.7 Related Parties

- DPSA
- Department of Labour

1.8 Funds allocated by the National Skills Fund

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

1.9 Investment Income

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

1.10 Project Expenditure

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 PSETA under the terms of the contract

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	<u>2008</u>	<u>2007</u>
2. OTHER INCOME		
Sundry Income	-	273,351
Total	<u>-</u>	<u>273,351</u>
3. ADMINISTRATIVE EXPENSES		
Administration fees-VIP		76,056
Bank Charges	645	34,269
Learners Allowance	0	1,711,170
Training and Assessment	0	1,211,695
Travel-Local		32,000
Total	<u>645</u>	<u>3,065,192</u>
4. FINANCE INCOME		
Interest on - Cash and bank deposits	299,867	105,396
Total	<u>299,867</u>	<u>105,396</u>
5. CASH AND CASH EQUIVALENT		
ABSA Bank Current Account	9,992,262	9,693,040
6. NATIONAL SKILLS FUND		
Balance at 31 March 2008	15,490,410	15,490,410
7. TRADE AND OTHER PAYABLES		
Regenesys	233,000	233,000
KLM Empowered	169,422	169,422
DPSA	-1,040	-1,040
Boston City Campus	227,290	227,290
Softline VIP	747	747
Learners Allowance	86,777	86,777
Total	<u>716,195</u>	<u>716,195</u>
8. BORROWINGS		
PSETA Grant Disbursement Account		
The above loan is unsecured, interest free and has no fixed date of repayment	1,617,174	1,617,174





Mr Tahir Maepa
Acting Chairman



Mr Siphosiso Makhosini
Acting CEO



Mr Zamo Khuzwayo
CEO



Mr Daniel Makhetha
Skills Planning Manager



Ms Mamello Mahomed
Secretary Manager

The PSETA is moving forward with good growth in all its key activities as the custodian for quality assurance of transversal training at all levels in the public sector. The enthusiastic commitment of the PSETA team has added significantly to the coordination of skills development, continued education and training programmes for workers in this sector.

The members of the PSETA team as at 31 March 2008 consisted of (standing ltr) Ms Dikeledi Nthite, Ms Lavhelesani Mainganye, Ms Johanna Modiga, Mr Abbey Sekokope, Mr Zamo Khuzwayo, Ms Suzan Motsepe, Ms Khathutshelo Naledzani, Ms Thelma Monaledi and Mr Deon Neethling, and (sitting ltr) Ms Philisiwe Xulu, Ms Keketso Makgoka, Ms Marry Ann Mosoenyane and Mr Rampote-Ramapena Chauke, and (photo inserts ltr) Mr Tahir Maepa (Chairman), Mr Siphosiso Makhosini, CEO (caretaker role), Mr Zamo Khuzwayo, Mr Daniel Makhetha and Ms Mamello Mahomed.





labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



PSETA , GROUND FLOOR, LAKESIDE BUILDING A
CENTURION MALL, CENTURION, GAUTENG | WWW.PSETA.ORG.ZA