

ANNUAL REPORT



2024/25



PUBLIC SERVICE SECTOR EDUCATION AND TRAINING AUTHORITY

**ANNUAL REPORT
2024/2025**

CONTENTS

PART A: GENERAL INFORMATION 3

1. PUBLIC ENTITY'S GENERAL INFORMATION	4
2. LIST OF ACRONYMS	5
3. ACKNOWLEDGEMENTS	6
4. FOREWORD BY THE CHAIRPERSON	7
5. CHIEF EXECUTIVE OFFICER'S OVERVIEW	10
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT	13
7. STRATEGIC OVERVIEW	14
8. LEGISLATIVE AND OTHER MANDATES	15
9. ORGANISATIONAL STRUCTURE	21

PART B: PERFORMANCE INFORMATION 23

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	24
2. OVERVIEW OF PERFORMANCE	24
3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	38
4. REVENUE COLLECTION	57
5. CAPITAL INVESTMENT	57

PART C: GOVERNANCE 59

1. INTRODUCTION	60
2. PORTFOLIO COMMITTEES	60
3. EXECUTIVE AUTHORITY	60
4. THE ACCOUNTING AUTHORITY / BOARD	60
5. RISK MANAGEMENT	70
6. INTERNAL CONTROL UNIT	70
7. INTERNAL AUDIT AND AUDIT COMMITTEES	70
8. COMPLIANCE WITH LAWS AND REGULATIONS	73

9. FRAUD AND CORRUPTION	73
10. MINIMISING CONFLICT OF INTEREST	74
11. CODE OF CONDUCT	74
12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	74
13. BOARD SECRETARY	75
14. SOCIAL RESPONSIBILITY	75
15. AUDIT COMMITTEE REPORT	77
16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	79

PART D: HUMAN CAPITAL RESOURCE MANAGEMENT 81

1. INTRODUCTION	82
2. HUMAN RESOURCE OVERSIGHT STATISTICS	83

PART E: PFMA COMPLIANCE REPORT 87

1. IRREGULAR, FRUITLESS, AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES	88
2. LATE AND/ OR NON-PAYMENT OF SUPPLIERS	91
3. SUPPLY CHAIN MANAGEMENT	92

PART F: FINANCIAL INFORMATION 93

REPORT OF THE EXTERNAL AUDITOR	94
ANNUAL FINANCIAL STATEMENTS	101



PART A

GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Public Service Sector Education and Training Authority
EMAIL ADDRESS:	Communications@pseta.org.za
PHYSICAL ADDRESS:	Woodpecker Place, 177 Dyer Road, Hillcrest, Pretoria
EXTERNAL AUDITORS:	Auditor-General South Africa 4 Daventry Street, Lynnwood Bridge Office Park, Lynnwood Manor, Pretoria +27 12 426 8000
POSTAL ADDRESS:	P.O. Box 11303, Hatfield, 0028
BANKERS:	ABSA South African Reserve Bank 370 Helen Joseph St, Pretoria Central, Pretoria, 0002 Gauteng North Public Sector, 1263 Heuwel Street, Centurion, 0157
TELEPHONE NUMBER/S:	+27 12 423 5700
WEBSITE ADDRESS:	www.pseta.org.za
BOARD SECRETARY:	Vacant

ISBN number: 978-1-77997-876-9

RP number: RP179/2025



2. LIST OF ACRONYMS

AA	Accounting Authority (the Board)	PIVOTAL	Professional, Vocational, Technical and Academic Learning
AGSA	Auditor-General South Africa	PSCBC	Public Service Co-ordinating Bargaining Council
APP	Annual Performance Plan	PSETA	Public Service Sector Education Training Authority
B-BBEE	Broad-Based Black Economic Empowerment	PSSP	Provincial Sector Skills Plan
CEO	Chief Executive Officer	QCTO	Quality Council for Trades and Occupations
DHET	Department of Higher Education and Training	RPL	Recognition of Prior Learning
DPSA	Department of Public Service and Administration	SAAPAM	South African Association of Public Administration and Management
ERP	Enterprise Resource Planning (ERP) system	SARS	South African Revenue Service
ERRP	Economic Reconstruction and Recovery Plan	SCM	Supply Chain Management
4IR	Fourth Industrial Revolution	SDA	Skills Development Act
GNU	Government of National Unity	SDLA	Skills Development Levies Act
GPSSBC	General Public Service Sector Bargaining Council	SDP	Skills Development Provider
GRAP	Generally Recognised Accounting Practice	SETA	Sector Education and Training Authority
HCM	Human Capital Management	SETMIS	Sector Education and Training Management Information System
HEI	Higher Education Institution	SLA	Service Level Agreement
IASIA	International Association of Schools and Institutes of Administration	SMS	Senior Management Service
ICT	Information and Communication Technology	SSP	Sector Skills Plan
IT	Information Technology	TVET	Technical Vocational Education and Training
MHET	Minister for Higher Education and Training	WIL	Work Integrated Learning
MTDP	Medium-Term Development Plan	WSP	Workplace Skills Plan
MTSF	Medium-Term Strategic Framework		
NDP	National Development Plan: Vision 30		
NQF	National Qualifications Framework		
NQFA	National Qualifications Framework Act		
NSDP	National Skills Development Plan		
NYDA	National Youth Development Agency		
PFMA	Public Finance Management Act		

3. ACKNOWLEDGEMENTS



MR. BUTI MANAMELA
MINISTER OF HIGHER EDUCATION
AND TRAINING



DR. MIMMY GONDWE
DEPUTY MINISTER OF HIGHER
EDUCATION AND TRAINING



DR NOMUSA DUBE-NCUBE
DEPUTY MINISTER OF HIGHER
EDUCATION AND TRAINING

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

We are pleased to submit the Annual Report for the Public Service Sector Education and Training Authority (PSETA) for the financial year ended 31 March 2025. The Annual Report covers PSETA's operations, fiscal performance, and achievements against all performance targets agreed upon with the Department of Higher Education and Training (DHET).

The PSETA Accounting Authority is satisfied with the audited financial statements and unmodified audit opinion. We express our gratitude to the Executive Authority, the Minister of Higher Education and Training, Honourable Buti Manamela, and Deputy Ministers, Honourable Dr Mimmy Gondwe and Honourable Dr Nomusa Dube-Ncube, for their leadership and unwavering support in implementing various skills development programmes.

We also appreciate your steadfast support during the performance period under review. Lastly, we would like to thank our key strategic partners for their co-operation.

We anticipate another vibrant financial year with challenging targets to enhance the skills development and training of the sector we prudently serve.

Yours faithfully

B Lerumo

Ms Bontle Lerumo

PSETA Accounting Authority and
Chief Executive Officer

Date: 30 May 2025



Ms Bontle Lerumo

PSETA Accounting Authority and
Chief Executive Officer

4. FOREWORD BY THE CHAIRPERSON

Introduction

I am pleased to submit the Public Service Sector Education and Training Authority (PSETA) Annual Report for the financial year ended 31 March 2025 on behalf of the PSETA Accounting Authority (AA) in accordance with the requirements of the Public Finance Management, 1999, as amended [Act 1 of 1999, Section 55(1)]

The AA (The Board) members appreciate the depth of dedication of management and staff working with the oversight Committees and the AA. We also acknowledge the collaboration with our stakeholders and service providers that drives PSETA's continued improvement. The AA has exercised oversight of the implementation of the Five-Year Strategic Plan 2020/2021–2024/2025 and the Annual Performance Plan (APP), which have culminated in this report. Part C: Governance provides details of the members of the PSETA AA and its Committees.

High level overview of the public entity's strategy and the performance of the public entity in its respective sector

The period under review marks the last year of the PSETA's five-year strategic period. The Service Level Agreement (SLA) signed with the DHET quantified the National Skills Development Plan 2030 (NSDP 2030) outcomes into SLA targets for the 2024/2025 financial year. PSETA achieved 97% of its 29 annual SLA targets. This, when compared to the 92% achievement in the 2023/2024 financial period, shows a significant improvement in performance. In terms of performance against the APP, PSETA achieved 95% of its APP targets, an improvement from the previous year's 88%.

In this foreword, I provide a high-level overview of PSETA's strategy and performance, as well as strategic relationships, key challenges, and the strategic focus over the medium to long term.

Strategic relationships

Resources and efforts to build skills towards a capable, ethical, and developmental State are distributed across the sector. PSETA actively collaborates with key stakeholders and providers to fulfil its supply objectives. Establishing a diverse range of partnerships is crucial for supporting sector development. Inter-Sector Education and Training Authority (SETA) collaborations, partnerships with national departments overseeing priority State capabilities and Offices of the Premier, relationships with Technical Vocational Education and Training (TVET) and Community Education and Training colleges, and Higher Education Institutions play a vital role in the successful execution of PSETA's projects. These partnerships serve as the means through which PSETA advances its skills development goals.

PSETA adopts a 'delivery through partnerships' approach that aligns with the SETA's strategic priorities. This strategy allows the SETA to establish partnerships to effectively fulfil its mandate, particularly in cases where direct delivery is not feasible, and contribute to broader government objectives to enhance service delivery in the Public Service Sector.

Challenges faced by the Accounting Authority

PSETA's limited budget is restricting the SETA from fully implementing its mandate and meeting its stakeholders' skills development needs. PSETA is funded through voted funds, which poses a serious constraint in terms of enabling PSETA to effectively carry out its mandate. For the entity to fully realise its mandate, an alternative funding mechanism is required to increase PSETA's budget. This led the PSETA AA to commission a study on the entity's sustainable funding model. The study was completed in the 2024/2025 financial year, and the report was presented and adopted by the PSETA AA. The resignation and withdrawal of AA members continue to pose a challenge, presenting a governance meeting quorum issue.

The strategic focus over the medium to long-term period

The Sector Skills Plan (SSP) provided the research evidence which the PSETA Accounting Authority has used to guide decision-making. The SSP informed

its strategic considerations and annual performance to ensure that the utilisation of public funds under PSETA's control addresses the needs of the sector. The SSP informs the PSETA strategy, which ensures that investments in skills development resonate with the needs of PSETA's respective constituencies and government's key economic and social priorities.

A critical component of the PSETA strategy is to deliver interventions that reach a significantly large number of individuals, with the aim of contributing towards building capacity for professional, responsive, and meritocratic public servants that will deliver on key government priorities. Furthermore, PSETA will continue with training interventions that will continue to uplift and empower women, youth and persons with disabilities through prioritising workplace-based learning experiences which may lead to permanent job placement in targeted jobs.

PSETA is aware of the emergence of the Fourth Industrial Revolution (4IR) and the profound impact it will have on the public service sector skills demand and supply. The 4IR provides the opportunity for greater government efficiency and effectiveness, and therefore the digitisation of the public service sector interventions through e-government forms part of the strategic move towards improved information communication technology (ICT) systems within the sector.

Research conducted by PSETA on emerging technologies shows that, in addition to equipping employees with the technical skills required to manage 4IR technologies, focus is also required on training employees on change management techniques. A recurring obstacle to e-learning was found to be the lack of access to digital tools, low bandwidth availability, accompanied by the general cost of accessing data to enable the digital tools.

In response to the skills needs identified as a result of emerging technologies, PSETA has prioritised the provision of digital skills, remote working skills and change management skills as short learning programmes for public sector officials. PSETA, in this Strategic Plan, will be focusing on the four strategic priorities which are informed by the NSDP 2030 and the Medium-Term Development Plan 2024 to 2029.

Strategic Priority 1: Inclusive growth and job creation.

Strategic Priority 2: Reduce poverty and tackle the high cost of living.

Strategic Priority 3: A capable, ethical, and developmental State.

Acknowledgements/ Appreciation

I express my gratitude to the former Executive Authority, the Minister of Higher Education and Training, Honourable Dr Nobuhle Nkabane, and the Deputy Ministers, Honourable Buti Manamela and Honourable Dr Mimi Gondwe, for their leadership and unwavering support in implementing various skills development programmes.

We express our gratitude to the former PSETA AA led by the Chairperson, Mr Thulani Tshefuta, for their strategic leadership and commitment to upholding high standards of corporate governance, which translated into improved performance and accountability at PSETA.

I would also like to acknowledge and appreciate the co-operation and support the Former Chairperson of the AA received from the Minister for Public Service and Administration and the Acting Director-General of the Department of Public Service and Administration, Mr Willie Vukela, in executing critical programmes to build the State's capacity.

I further thank the former members of the PSETA AA Governance Structures for sharing their knowledge, skills, and expertise with the entity and the AA. Furthermore, I wish to thank the Executive Management Team, Management, and all the PSETA staff for their hard work and dedication to ensuring that PSETA continues to deliver its mandate. Finally, to our stakeholders, thank you for your contribution in assisting PSETA in achieving its vision of being the heart of developing a skilled, capable, and innovative Public Service Sector workforce.

Conclusion

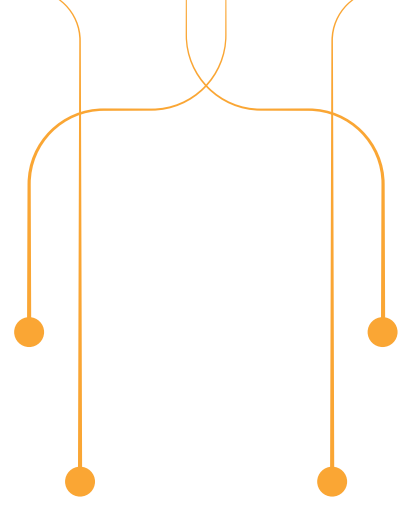
PSETA will continue to play a critical role in contributing towards building a capable, ethical, and developmental State.

B Lerumo

Ms Bontle Lerumo

PSETA Accounting Authority and
Chief Executive Officer

30 May 2025



Ms Bontle Lerumo

PSETA Accounting Authority and
Chief Executive Officer



5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

General financial review of the public entity

It is a privilege to report on PSETA's financial performance over the past year. The past fiscal year has been one of remarkable financial success for PSETA, with the highest revenue collection to date, augmented by the sustained clean audit over the past six years. PSETA began the year with a strong financial position, which we not only maintained but also significantly improved.

PSETA's revenue figures have slightly increased by 2% compared to the previous financial year, reaching a record high of close to R142 million. This growth was driven by several factors, including sustained investment income and additional voted funds compared to the previous year.

Strategic investments of PSETA's reserve funds yielded a return in investment income of R10 million in the past year. This amount is expected to grow going into the 2025/2026 financial year. The cash flow remained robust throughout the year, ensuring that PSETA has the liquidity required to seize opportunities and weather any unforeseen challenges. The debt management approach has been prudent and in line with the long-term financial strategy of only commissioning short-term debt. PSETA has maintained a healthy debt-to-equity ratio by paying invoices within 30 days, allowing the entity to leverage opportunities while mitigating financial risks.

Revenue items	2024/2025	2023/2024	2022/2023
	R'000	R'000	R'000
Voted funds	126 449	121 461	123 972
Levies	4 820	5 168	4 502
Investment income	10 072	10 796	7 381
Other income	466	1 248	553
Total	141 807	138 673	136 408

Spending trends of the public entity

Further, a focus on operational efficiency achieved through streamlining processes and implementing cost-saving initiatives resulted in increased spending on discretionary grants expenditure surpassing that

of all previous financial years. This efficiency allowed PSETA to allocate resources more strategically and enhance our overall mandate by increasing spending on discretionary and mandatory grants by 5%.

Expenditure type	2024/2025	2023/2024	2022/2023
	R'000	R'000	R'000
Discretionary and mandatory grants	78 112	74 944	61 853
Administration	86 556	79 428	71 553
Total	164 668	154 372	133 406

Capacity constraints and challenges facing the public entity

PSETA had several vacancies with a total vacancy rate at 31% as at 31 March 2025. The entity has developed a recruitment plan and the process to fill vacant posts commenced in April 2025.

The limited budget negatively impacted its ability to implement its mandate. An implementation plan has been developed to implement the Integrated Skills Development Funding Model for PSETA that was approved by the PSETAAA in March 2025.

Discontinued key activities/activities to be discontinued

PSETA did not discontinue any activities in the 2024/2025 financial year.

New or proposed key activities

PSETA is committed to strengthening skills development in the public service sector through practical and forward-looking strategies. As part of this, PSETA is working to enhance the Enterprise Resource Planning (ERP) system to make it more accessible and efficient for stakeholders. We are also placing greater emphasis on supporting cooperatives and equipping unemployed

youth with entrepreneurial skills, particularly in rural areas. In addition, the internship, work-integrated learning, and learnership programmes to address priority skills identified through the SSP will continue to play a key role in helping young graduates gain meaningful workplace experience, and thus bridging the gap between education and employment, and building a pipeline of capable professionals for the Public Service sector.

Requests for roll-over of funds

The request for a roll-over of funds for the 2023/2024 financial year of R105 million was granted by National Treasury in the financial year under review. The surplus was mainly used to cover the commitments disclosed in the audited annual financial statements and additional discretionary grant allocations in the 2024/2025 financial year.

Supply Chain Management

The Supply Chain Management (SCM) Department is fully functional, and systems and processes are in place. Further, controls are in place and constantly reviewed to ensure compliance with the various legislative requirements. There were no unsolicited bids during the year.

Audit report matters from the previous year and how would they be addressed

PSETA tracks the implementation of findings raised by the Auditor-General South Africa (AGSA) and the Internal Auditors. Management reports quarterly to the PSETA AA and its Governance Structures on the progress made in addressing audit matters to avoid recurrence.

Outlook/Plans for the future to address financial challenges

PSETA's AA has adopted and approved the sustainable funding model. While we have much to celebrate, the entity also faced challenges, including but not limited to budget constraints. We are navigating these challenges by implementing a sustainable funding model and optimising the operation's needs to limit wastages of the limited resources.

Looking ahead, we are excited about future opportunities, and we are committed to a sustainable funding model, exploring new partnerships, and investing in innovation to maintain our competitive edge. The goal for the upcoming year is to achieve revenue growth of at least 100% and further enhance the commitment to skills development in the Public Service Sector.

Events after the reporting date

The Johannesburg High Court matter, brought forward by a skills development provider, which alleged that it had suffered financial and economic losses due to not being granted an extension of scope for accreditation on two qualifications, was withdrawn in May 2025.

Economic viability

PSETA is in a financially sound position and continues to operate as a going concern.

B Lerumo

Ms Bontle Lerumo

PSETA Accounting Authority and
Chief Executive Officer

Date: 30 May 2025

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the AGSA.
- The Annual Report is complete, accurate, and free from any omissions.
- The Annual Report has been prepared in accordance with the Annual Report Guidelines document as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the applicable Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The AA is responsible for preparing the Annual Financial Statements and making judgements based on this information.
- The AA is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.

- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.
- In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully

B Lerumo

Ms Bontle Lerumo

PSETA Accounting Authority
and Chief Executive Officer

Date: 30 May 2025

7. STRATEGIC OVERVIEW



Vision

To be the heart of developing a skilled, capable, and innovative Public Service Sector workforce.



Mission

To facilitate the delivery of a capable, ethical, and developmental Public Service Sector workforce through:

- researching skills demand and supply in the sector.
- effective delivery of skills development interventions based on occupationally directed qualifications.
- monitoring, evaluation, and reporting of the implementation of Education, Training, and Skills Development in the sector.
- a capable institution.



Values

PSETA's values are:

- Honesty and Integrity
 - Accountability
 - Service Excellence
- Fairness and Transparency

Ethics Commitment Statement

The leadership of the PSETA comprising the Accounting Authority and Executive Management, is committed to the highest standards of ethical and moral conduct. In pursuit of our skills development mandate, the PSETA leadership affirms its unwavering commitment to fostering an ethical culture that upholds integrity, transparency, accountability, and fairness at all times.

In line with this commitment, leadership shall:

- demonstrate full commitment to ethical behaviour.
- promote and continuously develop ethics management competencies across all levels of the organisation.
- lead by example and act as role models of ethical conduct.
- support ethics management initiatives and interventions.
- empower the official responsible for ethics with the authority and independence necessary to engage confidently with all levels of leadership.
- ensure the implementation of clear and effective policies that enable and sustain an ethical culture within PSETA.

All employees and stakeholders are expected to align with this ethical vision and contribute to an organisational culture grounded in shared values and ethical excellence.

8. LEGISLATIVE AND OTHER MANDATES

8.1 Our mandate

PSETA is classified as a national public entity under Schedule 3A of the Public Finance Management (PFMA, Act 1 of 1999, as amended) . As a national public entity, PSETA is governed by a legal framework, which includes the Constitution of the Republic of South Africa, Act 108 of 1999 (the Constitution) legislation, and policies. This legal framework sets out PSETA's constitutional, legislative, and policy mandate, and adherence to the framework is central to PSETA's operations.

8.1.1 Constitutional mandate

PSETA's constitutional mandate is underpinned by section 29(1) (b) of the Constitution, which bestows upon all South African citizens the right to further education. This right must be provided by the State (including organs of the State such as PSETA) within reasonable measures.

PSETA's constitutional mandate is also derived from the prescripts of section 195(1) of the Constitution, which states as follows:

- “(1) Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:
- (a) A high standard of professional ethics must be promoted and maintained.
 - (b) Efficient, economic and effective use of resources must be promoted.
 - (c) Public administration must be development-oriented.
 - (d) Services must be provided impartially, fairly, equitably and without bias.
 - (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.
 - (f) Public administration must be accountable.
 - (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.

- (h) Good human-resource management and career-development practices, to maximise human potential, must be cultivated.
- (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.”

These Constitutional prescripts and values are the cornerstone of PSETA's mandate.

8.1.2 Legislative mandate

8.1.2.1 Skills Development Act

PSETA is established in terms of section 9(1) and (2) of the Skills Development Act (SDA, Act 97 of 1998, as amended). The SDA is our enabling legislation that guides our operations as a SETA), as set out in section 10 of the SDA (1998, as amended).

Section 10 (1) of the SDA (1998, as amended) sets out the functions of SETAs, such as PSETA, as outlined below:

- “10. (1) A SETA must, in accordance with any requirements that may be prescribed—
- (a) develop a sector skills plan within the framework of the national skills development strategy;
 - (b) implement its sector skills plan by—
 - (i) establishing learning programmes;
 - (ii) approving workplace skills plans and annual training reports;
 - (iii) allocating grants in the prescribed manner and in accordance with any prescribed standards and criteria to employers, education and skills development providers and workers; and
 - (iv) monitoring education and skills development provision in the sector;
 - (c) promote learning programmes by—
 - (i) identifying workplaces for practical work experience;

- (ii) supporting the development of learning materials;
- (iii) improving the facilitation of learning; and
- (iv) assisting in the conclusion of agreements for learning programmes, to the extent that it is required;
- (d) register agreements for learning programmes, to the extent that it is required;
- (e) perform any functions delegated to it by the QCTO [Quality Council for Trades and Occupations] in terms of section 26l;
- (f) when required to do so as contemplated in section 7(1) of the Skills Development Levies Act, collect the skills development levies, and must disburse the levies, allocated to it in terms of sections 8(3)(b) and 9(b), in its sector;
- (g) liaise with the National Skills Authority on—
 - (i) the national skills development policy;
 - (ii) the national skills development strategy; and
 - (iii) its sector skills plan;
- (h) submit to the Director-General—
 - (i) any budgets, reports and financial statements on its income and expenditure that is required to prepare in terms of the Public Finance Management Act; and
 - (ii) strategic plans and reports on the implementation of its service level agreement;
- (i) liaise with the provincial offices and labour centres of the Department and any education body established under any law regulating education in the Republic to improve information—
 - (i) about placement opportunities; and
 - (ii) between education and skills development providers and the labour market;
- (iA) liaise with the skills development forums established in each province in such manner and on such issues as may be prescribed;
- (j) subject to section 14, appoint staff necessary for the performance of its functions;
 - (jA) promote the national standard established in terms of section 30B;

(jB) liaise with the QCTO regarding occupational qualifications; and

(k) perform any other duties imposed by this Act or the Skills Development Levies Act or consistent with the purposes of this Act.”

8.1.2.2 Skills Development Levies Act

The Skills Development Levies Act (SDLA, Act 9 of 1999, as amended) also impacts PSETA's operations. SDLA (1999, as amended) regulates a compulsory levy scheme to fund education and training in the various sectors of the economy. This scheme seeks to fund the country's skills development initiative, encouraging a planned and structured learning approach and increasing employment prospects for work seekers. Section 3 of SDLA (1999, as amended) compels employers to pay one percent of their monthly employee remuneration payroll to the South African Revenue Service (SARS) in the form of a levy. These levies are collected by the relevant SETA, which then distributes them in its particular sector.

However, section 4(a) of SDLA states as follows:

“The levy is not payable by—

(a) any public service employer in the national or provincial sphere of government”

This provision impacts PSETA as its sector encompasses the Public Service Sector and, therefore, the amount of levies PSETA collects is limited. As a result, PSETA is largely supported by funds allocated through Vote 15, under one of the budget programmes of the DHET.

8.1.2.3 The Sector Education and Training Authorities Grant Regulations

The Sector Education and Training Authorities Grant Regulations (2012 Grant Regulations) are also critical to PSETA's operations.

The main purpose of the 2012 Grant Regulations is to improve the focus, management, and effectiveness of a SETA's disbursement and the allocation of grants to stakeholders for skills development within its sector.

Regulation 3 provides guidance on the way a SETA must manage its finances, particularly funds received as levies in terms of SDLA. Regulations 3 (1), (2), and (6) state as follows:

- “(1) Each SETA must, in compliance with the Public Finance Management Act, establish banking accounts.
- (2) A SETA must use all monies received in terms of the Skills Development Levies Act to –
 - (a) administer the activities of the SETA;
 - (b) pay employers their mandatory grants; and
 - (c) implement the SSP [Sector Skills Plan] and APP [Annual Performance Plan] as contemplated in the Treasury Regulations issued in terms of the Public Finance Management Act, through the allocation of the discretionary grants.”
- “(6) A SETA is required to allocate 80% of its available discretionary grants within a financial year to PIVOTAL [Professional, Vocational, Technical and Academic Learning] programmes that address scarce and critical skills in its sectors.”

Regulation 4 provides guidance on how a SETA should allocate mandatory grants. These are grants that are allocated to employers that pay levies to the SETA and have submitted workplace skills programmes and annual training reports to the SETA. Regulation 4 (4) states as follows:

- (4) “20% of the total levies paid by the employer in terms of section 3(1) as read with section 6 of the Skills Development Levies Act during each financial year will be paid to the employer who submits a [WSP] Workplace Skills Plan and ATR [Annual Training Report].”

Regulation 6 deals with the allocation of discretionary grants by a SETA and prescribes various requirements. Regulations 6 (4) and (8), in particular, state as follows:

- (4) “A SETA must, on an annual basis and in accordance with any guidelines issued by DHET, approve a Discretionary Grants Policy, specifying how the SETA discretionary grants will be allocated to meet sector needs as set out in the SSP.”
- (8) “The Discretionary Grants Policy must embrace the principles of transparency, openness, access and fairness.”

These provisions are all crucial in providing guidance to PSETA when allocating mandatory and discretionary grants to various stakeholders within PSETA's sector for skills development programmes.

On 27 January 2023, the Minister of Higher Education and Training issued Draft Regulations regarding monies received by a SETA (2023 Grant Regulations). Currently, the 2023 Grant Regulations are undergoing public consultation processes and, therefore, have not been officially adopted in law. The DHET intends to repeal the 2012 Grant Regulations and replace them with the 2023 Grant Regulations once they are promulgated and adopted in law.

8.1.2.4 National Qualifications Framework Act

The National Qualifications Framework Act (NQF Act 67 of 2008, as amended) provides for the National Qualifications Framework (NQF), a comprehensive system, approved by the Minister of Higher Education and Training for the classification, registration, and publication of articulated and quality-assured national qualifications and part-qualifications.

The objectives of the NQF, as set out in sections 5 (1) and (2) of the NQF Act, are as follows:

- “5. (1) The objectives of the NQF are to—
 - (a) create a single integrated national framework for learning achievements.
 - (b) facilitate access to, and mobility and progression within, education, training and career paths.
 - (c) enhance the quality of education and training.
 - (d) accelerate the redress of past unfair discrimination in education, training and employment opportunities.
- (2) The objectives of the NQF are designed to contribute to the full personal development of each learner and the social and economic development of the nation at large.”

PSETA employs the provisions of the NQFA to design training programmes, carry out quality assurance of various training programmes, and assess learner achievement and accredit training providers, as per its delegated function from the QCTO.

8.1.2.5 Public Finance Management Act

The Public Finance Management Act (PFMA, Act 1 of 1999, as amended) is another critical legislation that impacts PSETA's operations. PSETA is classified as a national public entity, under Schedule 3A of the PFMA (1999, as amended) and, therefore, compliance with the prescripts of the PFMA (1999, as amended) and the Treasury Regulations of 2005 is treated with the utmost importance at PSETA.

The PFMA regulates financial management in all spheres of government and government institutions—to ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively, to provide for the responsibilities of persons entrusted with financial management in those governments, and to provide for matters connected therewith.

PSETA is governed by its AA, as per the prescripts of section 49 of the PFMA (1999, as amended). The AA's duties and functions are guided by the prescripts of sections 50 and 51 of the PFMA (1999, as amended) and include, among others, the following:

- “exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity”;
- “act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of PSETA”;
- “ensure that that public entity has and maintains... effective, efficient and transparent systems of financial and risk management and internal control”;
- “ensure that there is “a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77”; and
- “ensure that there is “an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective”.

The prescripts of the PFMA (1999, as amended), Treasury Regulations, and the various practice notes and instructions issued by National Treasury are critical in guiding PSETA in its financial management and corporate governance functions.

8.2 Updates to institutional policies and strategies

PSETA's Five-Year Strategic Plan and Annual Performance Plan (APP) are informed and aligned with the relevant legislation and policy mandates. PSETA is guided by various policies and strategies, including, but not limited to, the following:

8.2.1 National Development Plan

The National Development Plan: Vision 30 (NDP) offers a long-term vision for the country. It defines the desired destination and identifies the role that different sectors of society need to play in reaching that goal. Based on the nine outcomes of the NDP focused on building a capable State, PSETA has considered the major NDP competencies in its strategic focus areas, namely: a public service which is a career of choice; sufficient technical and specialist professional skills; efficient and effective management and operations systems; procurement systems that deliver value for money; strengthened delegation, accountability, and oversight. These form key inputs in the SETA's strategic focus.

8.2.2 Medium-Term Development Plan

The Medium-Term Development Plan 2024–2029 (MTDP) is the new five-year Medium-term Strategic Plan for the 7th administration of the government for the period 2024–2029. The outcome of the national general elections on 29 May 2024 saw the formation of the Government of National Unity (GNU) of the 7th administration, which was based on the fundamental principles agreed to by the political parties that form the GNU in the Statement of Intent.

The main objective of the MTDP is to strategically guide the work of the 7th administration of the government to achieve the goals set out in the Statement of Intent of the GNU. Furthermore, the MTDP also serves as the implementation framework for the NDP, the existing long-term plan for South Africa towards 2030.

The MTDP aligns with the goals and objectives of the NDP and the minimum programme of priorities of the GNU. The NDP remains South Africa's long-term plan towards 2030 and is aligned with its international commitments. The MTDP is the medium-term plan towards the achievement of the NDP, replacing the 2019–2024 MTSF by aligning with international naming conventions and emphasising development outcomes.

The 7th administration of the government, as outlined in the MTDP, has set five goals for the next five years, which are the following:

- “A dynamic, growing economy;
- A more equal society, where no person lives in poverty;
- A capable state delivering basic services to all citizens;
- A safe and secure environment; and
- A cohesive and united nation.”

To achieve these goals, the MTDP identifies three strategic priorities, which will be implemented across the State:

- **Strategic Priority 1:** Drive inclusive growth and job creation.
- **Strategic Priority 2:** Reduce poverty and tackle the high cost of living.
- **Strategic Priority 3:** Build a capable, ethical and developmental State.

These three strategic priorities, with a set of policy choices and priority interventions, will be implemented across all government departments and overseen and monitored by the centre of government. This includes PSETA, as a national public entity that reports to the DHET as its Executive Authority.

8.2.3 National Skills Development Plan 2030

The National Skills Development Plan: Vision 2030's (NSDP) vision is “An educated, skilled and capable workforce for South Africa”. PSETA's strategic focus areas and skills priority areas are aligned with the NSDP outcomes. Conducting labour market research, addressing sector skills needs and priorities, implementing learning programmes, supporting the Technical Vocational Education and Training (TVET) system, artisan development, and collaborating with relevant quality councils are key areas that form the focus of the PSETA's core operations.

8.2.4 White Paper for Post-School Education and Training

The NSDP will be implemented within the context of an integrated and differentiated post-school education and

training system. In response to the sharpened focus of SETAs, as outlined in the White Paper, the focus on the participation of employers in the submission of credible Annexure 2 Workplace Skills Plan has been prioritised. Training of labour representatives on training committees, capacity-building sessions, and skills development facilitator training programmes are initiatives aimed at responding to the White Paper and improving the quality of sector expertise available to the SETA.

8.2.5 Public Service Human Resource Development Strategic Framework

The intent of this framework is to create an integrated strategic approach to human resource planning to achieve departmental strategic objectives and the government programme of action. The overall strategic approach and focus for human resource development in the Public Service Sector has been rearticulated to place a greater emphasis on the imperative for the alignment and consolidation of the inward focus of the public service (demand side) with the broader external labour market dynamics. PSETA is facilitating and improving the extent to which skills supply can address the Public Service Sector's skills and talent requirements.

8.2.6 PSETA Sector Skills Plan

The Sector Skills Plan (SSP) is an evidence-based skills planning guide or ‘roadmap’ developed by the SETA in consultation with sector stakeholders, which informs and guides the determination of funding priorities for PSETA, informs the allocation of resources to develop qualifications and learning programmes, establishes occupation-specific skills priorities for the sector, and monitors skills development provision in the sector.

8.2.7 Economic Reconstruction and Recovery Plan

The Economic Reconstruction and Recovery Plan (ERRP) seeks to actively transform the economy towards positive growth, which requires active and immediate adaptation by parts of the post-school education and training system – the Skills Strategy. The Skills Strategy lays out 10 interventions to introduce specific changes or enabling mechanisms to ensure the skills required are produced. Six interventions

focus on delivery (specific skills to be produced immediately linked to sectoral strategies) while four interventions are systemic, including mechanisms for refining and adding to skills and qualifications needed for fast responsiveness as the economy changes with the ERRP interventions. The ERRP Skills Strategy emphasises accessing targeted skills programmes linked to specific economic sectors to allow for immediate and short-term interventions. These include digital skills, access to workplace-based experience, and retraining/ upskilling to preserve jobs. The National Digital and Future Skills Strategy calls for the entire education sector to build a strong focus and invest in digital skills, as well as invest in the development of digital innovation skills.

In summary, the medium and long-term implications of the outlined policies and strategies are reflected in PSETA's strategy of locating itself at the heart of developing highly skilled professional public servants as a means of increasing the pool of required skills and further harnessing and elevating the existing skills within the Public Service Sector. Based on the nine outcomes of the NDP focused on building a capable State, PSETA has considered the major NDP competencies in its strategic focus areas namely: a public service which is a career of choice; sufficient technical and specialist professional skills; efficient and effective management and operations systems; procurement systems that deliver value for money; strengthened delegation, accountability, and oversight. These form key inputs in the SETA's strategic focus. PSETA focuses specifically on Priorities 1 and 3 of the MTDP — driving inclusive growth and job creation, and building a capable, ethical, and developmental State — as a contribution to putting the Public Service Sector on a positive trajectory towards achieving the NDP goals for 2030.

8.2.8 National Growth Plan

The National Growth Plan calls for greater focus on workplace training, targeting on-the-job training and refresher programmes for at least 10% of the workforce every year. PSETA will continue to play a critical role in the education and skills work stream, specifically in supporting access to TVET colleges and facilitating workplace opportunities for youth in the Public Service Sector. Such interventions will support the youth in obtaining the competencies required for employment and self-employment. PSETA has implemented

measures to support the ERRP and its Skills Strategy as outlined by the DHET through its 10 interventions. The overarching implication of the analysis of the national strategies and plans may be categorised into two broad themes:

- **Policy landscape:** National policies and plans may not be considered in isolation from one another. In the Public Service Sector, there is a range of agencies with overlapping mandates related to skills development and capacity building, more broadly. Thus, establishing partnerships and co-ordinating efforts is a key outcome of analysing these plans.
- **Socio-economic agenda:** The secondary aim of addressing issues of inequality, unemployment, poverty, and transformation is an inherent feature of South Africa's labour market policies. Conversely, the goal of many socio-economic policies incorporates the need to improve education and skills development, ultimately impacting the labour market. The emergence of COVID-19 exposed the existing inequalities in society. Skills development policies must address not only issues of poverty and unemployment, but also those of economic growth and global competitiveness.

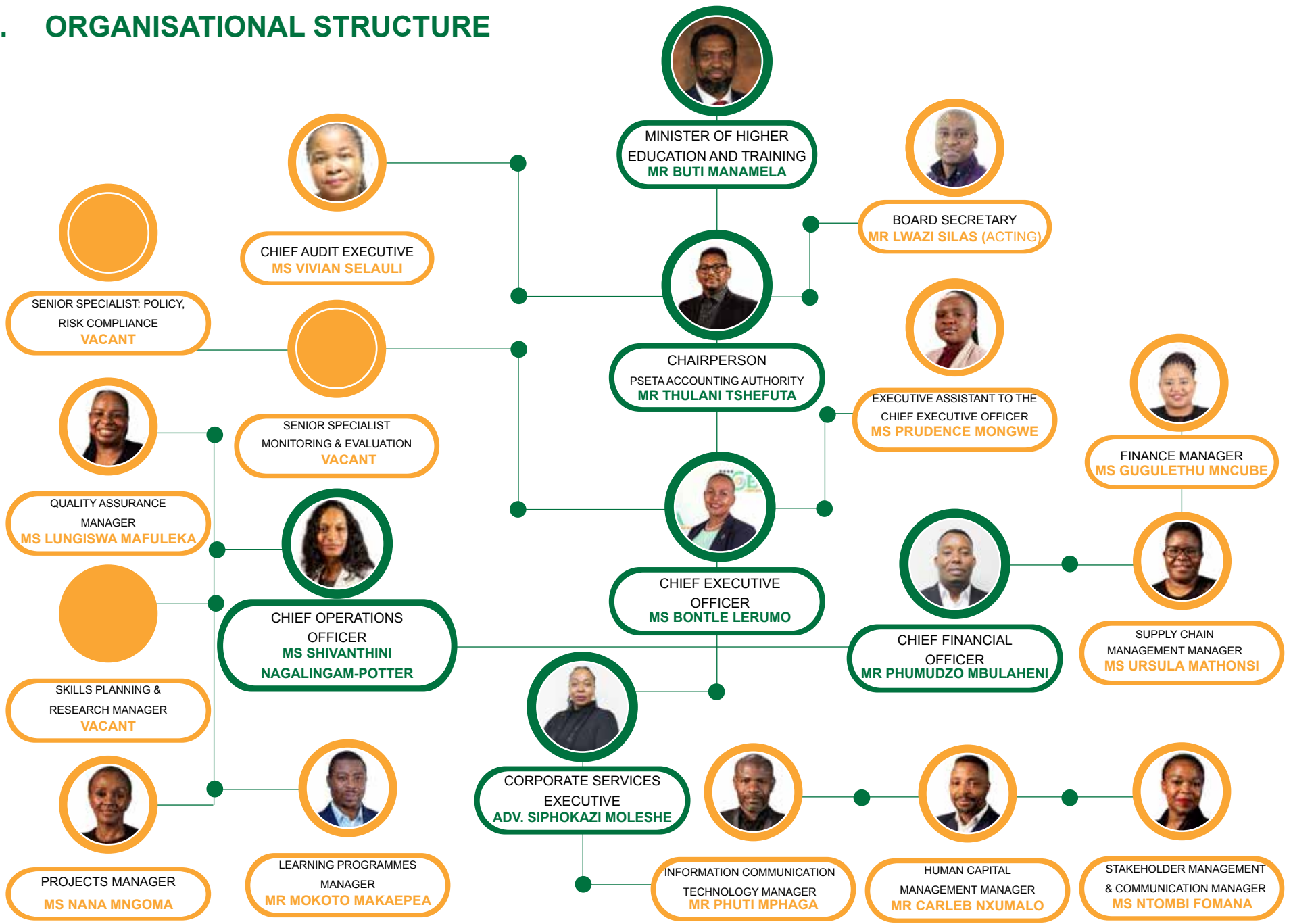
8.2.9 Public Service Amendment Regulations of 2023

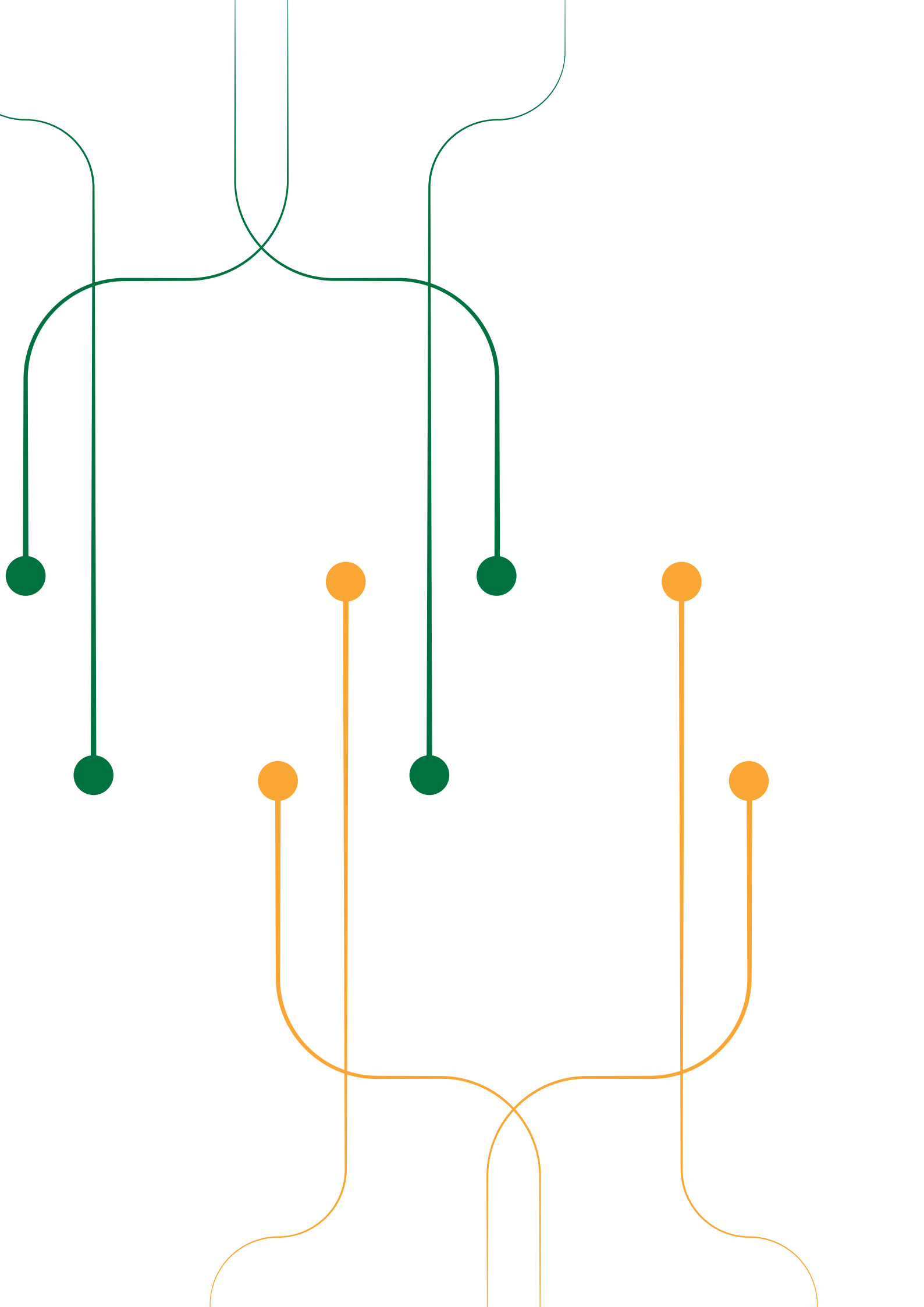
On 24 February 2023, the Minister of the Department of Public Service and Administration (DPSA) issued Draft Regulations to amend the Public Service Regulations of 2016. The Public Service Regulations of 2016 were promulgated in terms of section 41 of the Public Service Act (Act 103 of 1994).

The Draft Regulations sought to amend the Public Service Regulations of 2016 to, among other things, address challenges with the interpretation and application of the Public Service Regulations of 2016, to regulate lifestyle audits, to provide for reasonable accommodation for persons living with disabilities, to manage the extension of the term of a head of department, and to provide for periods of prohibition on the re-employment of former employees dismissed for misconduct within the Public Service Sector.

Following a public consultation process, the Public Service Amendment Regulations of 2023 were officially adopted in law and came into operation on 1 November 2023.

9. ORGANISATIONAL STRUCTURE







PART B

PERFORMANCE INFORMATION



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with no

material findings being reported under the report's Predetermined Objectives heading, which is included in the Other Legal and Regulatory Requirements section.

Refer to page 94 of the Report of the External Auditor, published under Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 Service delivery environment

PSETA operates in a complex and dynamic service delivery environment, characterised by ongoing policy reforms, digital transformation, and evolving national development priorities. PSETA's mandate is to respond to skills supply and demand within the Public Service Sector, which includes national and provincial government departments, public entities registered with PSETA, and the legislative sub-sector comprising Parliament and provincial legislatures.

PSETA plays a pivotal role in addressing transversal skills needs, considered as cross-cutting competencies required to execute the 'business of government', including administration, planning, policy development, and legislative processes. These skills are essential to advancing a capable, ethical, and developmental state as articulated in the NDP.

2.1.1 Public service sector labour market composition

In the 2023/2024 financial year, PSETA received 174 WSP submissions from employers, with 147 submitted by large employers (defined as those employing more than 150 individuals). Analysis of the reporting subsectors indicates that provincial departments remain dominant, accounting for 61% of submissions, followed by national departments at 20% and public entities (at 13%), and legislatures and Parliament (6%).

Based on the 2024 PSETA SSP, as of March 2024, 720 824 employees were recorded in the sector. Provincial departments account for 80.62% of the total workforce, while national departments comprise 17.63%, public entities 1.51%, and legislatures and Parliament just 0.22%. These figures confirm that skills development interventions must be scaled and targeted appropriately, particularly focusing on provincial

administrations as the primary employers. The sector's demographic profile aligns broadly with national population trends. Black Africans constitute over 80% of employees in both national and provincial departments and over 70% in public entities and legislatures. Gender equity within the Senior Management Service (SMS) has shown notable progress, with females holding 45.99% of positions. However, males still constitute the majority. At the Middle Management Service level, the racial and gender representation mirrors SMS patterns, reinforcing the need for sustained transformation and empowerment efforts across all subsectors.

2.1.2 The changing nature of work in the Public Service Sector

Over the past five years, there has been a shift in the Public Service Sector's occupational landscape, primarily driven by technological changes, advancements, and the evolving nature of work. The growing prominence of the 4IR and the increasing digitalisation of government services have led to a surge in demand for professionals skilled in Information and Communication Technology (ICT), including roles such as ICT systems analysts, cybersecurity specialists, and data analysts. The demand for tech-savvy professionals has intensified as the Public Service Sector embraces digital transformation and seeks to enhance service delivery through e-government initiatives.

In addition to the increase in ICT-related occupations, there is a growing need for skills that complement digitisation, automation, and digitalisation. These include critical thinking, complex problem-solving, people management, and decision-making skills. As routine tasks become increasingly automated, the value of human skills that machines cannot replicate has grown.

PSETA has actively supported a sectoral shift towards upskilling and reskilling the existing workforce to meet new occupational demands. This includes partnerships with universities and TVET colleges to align curricula with evolving skills requirements, foster work-integrated learning, and support graduate employability through internship programmes. These efforts are complemented by PSETA-funded internships, bursaries, learnerships, and Work Integrated Learning (WIL) programmes, particularly those directed at women, youth, and persons with disabilities.

PSETA's strategic focus over the period under review was closely aligned with the NSDP, the 2019–2024 MTSF, and the PSETA SSP priorities. These frameworks provided the overarching direction for some of the activities undertaken during the period, including funding of workplace-based learning programmes for unemployed youth and underrepresented groups, implementing Recognition of Prior Learning (RPL) and occupational qualifications for public servants, and improving skills planning capacity across the sector through various initiatives.

PSETA continues to take a structured and forward-looking approach to skills development in the Public Service Sector, with a specific focus on matching the demand for skills with the supply, ensuring that the workforce is equipped to meet current and future service delivery needs. To effect its strategy, PSETA relies on strategic partnerships with key stakeholders to pursue economies of scale in delivering skills development programmes and implement interventions that reflect the real needs of the sector. Through this co-ordinated and collaborative approach, PSETA is helping to build a Public Service Sector that is skilled, professional, and capable of supporting the country's development goals.

The APP for the 2024/2025 financial year was implemented through four programmes listed below:

- **Programme 1: Administration:** The purpose of this programme is to develop and implement corporate support strategies and systems that contribute towards the achievement of the organisational mandate.
- **Programme 2: Skills Planning and Research:** This programme aims to conduct and co-ordinate research to inform the sector's strategic skills development priorities. It is made up of two

organisational business units: Skills Planning and Research. The development and annual update of the SSP, research studies, co-ordinating research activities and conferences, and capacity building of stakeholders in skills planning are core outputs within this programme.

- **Programme 3: Learning Programmes and Projects:** The purpose of this programme is to facilitate and manage the implementation of learning programmes for and within the Public Service Sector, as per the NSDP goals. This programme includes special projects, including partnerships, as well as monitoring, evaluation, and reporting learning interventions.
- **Programme 4: Quality Assurance:** The purpose of this programme is to build the provider capacity required to deliver the priority skills for the sector, developing standards, accrediting providers, and quality assuring learning. The Quality Assurance department reviews legacy qualifications, develops new occupational qualifications, and ensures the capacitation of providers through advocacy workshops.

2.1.3 Performance highlights

The following key achievements were recorded during the reporting period under review:

- The period under review marks the last year of PSETA's five-year strategic period. The SLA signed with the DHET quantified NSDP outcomes into SLA targets for the 2024/2025 financial year. PSETA achieved 97% of its 29 annual SLA targets. This, when compared to the 92% achievement in the 2023/2024 financial period, shows a significant improvement in performance. In terms of performance against the APP, PSETA achieved 95% of its APP targets, an improvement from the previous year's 88% achievement.
- PSETA received a clean audit report for the sixth consecutive year, a result attributed to the entity's strong corporate governance culture.
- Invoices were paid within 30 days to ensure compliance with the Treasury Regulations section 8.2.3.

- As a caring organisation and one that aspires to be an employer of choice, PSETA has contracted for a period of three years from December 2023 to November 2026 Workforce Healthcare as the Employee Wellness Provider.
- PSETA has developed and approved a five-year ICT strategy of PSETA that is informed by the 4IR which is driven by a fusion of technologies that have blurred the lines between the physical, digital, and biological spaces enabled by technologies such as Artificial Intelligence (AI), Cloud Computing, Internet of Things (IoT), Big Data, Robotics, etc.
- PSETA, in partnership with the Tshwane University of Technology Institute for the Future of Work, officially disseminated the research reports produced under the collaborative initiative between the two institutions in March 2025. The partnership was established to advance research on the future skills needs in the Public Service Sector in response to the evolving world of work, and key research findings were shared with relevant stakeholders.
- Following the completion of a critical research project, the Limpopo Provincial SSP, undertaken in partnership with the Limpopo Provincial Government and commissioned by Stellenbosch University, PSETA presented the findings at the Limpopo Provincial Skills Conference in November 2024 and the Limpopo Provincial SMS Summit in March 2025.
- The SSP 2025/2026–2029/2030 was submitted to the DHET and approved. It is a key planning instrument that guides PSETA's strategic focus, resource allocation, and policy development. Developed through a stakeholder-driven and research-informed process, the SSP identifies, and forecasts priority skills needs in the Public Service Sector, aligned with national development priorities.
- PSETA engages in strategic partnerships through Memoranda of Understanding. During the year under review, 12 new Memoranda of Understanding were signed with strategic partners. These new partnerships, in addition to the existing ones, served as a basis for collaboration and culminated in various learning programmes and strategic projects.
- PSETA entered into new employer partnership arrangements with the South African Revenue Services (SARS), the Council for the Built Environment, the KwaZulu-Natal provincial legislature, and the National Heritage Council.
- PSETA continued to partner with HEIs and TVET Colleges to build a cohesive, effective, and responsive skills development ecosystem. In ensuring alignment of skills supply with the sector's demand and needs, PSETA entered into new partnerships with five TVET colleges, namely Capricorn, Lephalale, Gert Sibande, King Sabatha Dalindyebo, and Letaba. Additionally, PSETA finalised Memoranda of Understanding with the Walter Sisulu University, the University of Johannesburg and the University of Venda to support the institutions with bursary funding for learners.
- In the 2024/2025 financial year, PSETA continued to advance collaborative projects designed to improve skills development initiatives, establishing strategic partnerships with professional bodies that operate within the sector, such as the South African Institute of Government Auditors, the Institute of Risk Management South Africa, and the South African Monitoring and Evaluation Association.
- The savings and surplus realised in the financial year were allocated across the PSETA research and learning programmes. PSETA utilised these funds to jointly establish a research observatory based at the University of Johannesburg, in partnership with the National School of Government. The observatory aims to create and manage a research repository, facilitate access, collation, and analysis of relevant data, monitor national and international trends that affect the capacity, capability, and performance of the South African State, develop regular policy briefs and provide advisory services to relevant public institutions, and educate, inform, and shape public discourse and the public on important matters and developments regarding the Public Service Sector.
- Approximately R18.6 million was allocated to bursaries, TVET WIL, graduate internships, and supporting cooperatives. These projects are planned to be implemented in the 2025/2026 period.

- PSETA supported and participated in the 23rd Annual South African Association of Public Administration and Management (SAAPAM) Conference held in September 2024, with PSETA's CEO delivering a presentation during a policy lab session and the CEO chairing the "Towards a More Inclusive and Responsive Post-School Education in South Africa" session.
- PSETA also supported and participated in the Southern Africa Co-Operative Education WIL 2024 Conference, which took place in October 2024, contributing towards discussions on WIL quality assurance.
- In November 2024, the CEO delivered a presentation at the Institute of People Management Convention on the role of skills development for professionalisation.
- To support evidence-based policy and planning, PSETA undertook several research and skills planning initiatives, including a tracking and tracer study of learners in developmental programmes and the development of Provincial Sector Skills Plans (PSSPs) for Limpopo and the Free State. These studies enhanced the understanding of skills outcomes and informed future interventions.
- In collaboration with the DPSA, PSETA conducted masterclasses nationally and provincially on the Public Service Sector's Skills Audit Framework, helping to institutionalise robust human resource development practices. The masterclasses were delivered by UP.
- In transitioning the sector towards occupational qualifications, PSETA funded the implementation of two learnership programmes: Occupational Certificate: Public Service Administrator Level 5 and Occupational Certificate: General Manager Public Service Level 6. These are targeted at public service officials in the KwaZulu-Natal, Gauteng, and North-West provincial governments.
- During the year under review, PSETA recorded a 95% completion rate in WIL programmes implemented through TVET colleges and universities of technology. This notable achievement reflects the positive outcomes of strategic interventions aimed at strengthening the implementation and oversight of WIL programmes within these institutions.
- A key development contributing to this success was the review and amendment of the Memoranda of Agreement between PSETA and the participating TVETs and HEIs. The revised Memoranda of Agreement clearly articulate the roles and responsibilities of both TVETs and HEIs in the execution of WIL, with a particular emphasis on institutional accountability. These enhancements have reinforced the obligation of academic institutions to actively monitor and support learners throughout the WIL process, ensuring alignment with qualification requirements and improving overall learner success.
- The improved monitoring and quality assurance mechanisms implemented by the institutions have played a critical role in strengthening workplace-based learning environments. This includes verification that:
 - host employers have the necessary policies and procedures to support workplace learning;
 - learners are provided with the appropriate resources and support to achieve their learning outcomes;
 - learner placements are directly aligned with the specific competencies and practical components of the relevant qualifications; and
 - qualified and experienced mentors are available to guide learners during their workplace exposure.
- Furthermore, there has been a marked improvement in the quality and completeness of learner Portfolios of Evidence. Notably, PSETA WIL learners have not received any notifications from the DHET indicating deficiencies in the Portfolios of Evidence they submitted. This serves as an indicator of improved programme compliance and the successful alignment of workplace learning with academic requirements.
- In addition, PSETA received graduation invitations from several funded TVET colleges for learners who have successfully completed the 18-month WIL component and obtained their diplomas. These invitations serve as a tangible measure of the programme's effectiveness and a reflection of the collaborative efforts among PSETA, TVETs, and HEIs to enhance the quality of WIL within the sector.

- In ensuring that public institutions have the capacity to implement Public Service Sector qualifications, PSETA continued to support public TVET colleges, State and sector academies. The support provided ranged from accreditation readiness to building internal capacity and ensuring that e-learning capabilities were established within the institutions.
- PSETA continued its supply-side capacity-building efforts through Skills Development Provider (SDP) capacity-building workshops, which helped improve the understanding of the implementation of occupational qualifications. Four capacity-building workshops were held, focusing on the implementation of the General Manager occupational qualification and accreditation and assessment requirements for full qualifications.
- In supporting PSETA's strategy in improving the quality and standards of learning within occupational qualifications, PSETA partnered with three public HEIs: (1) North-West University to develop learning materials for Immigration Officer and Refugee Status Determination Officer occupational qualifications. (2) The University of Pretoria to develop the Qualification Assessment Specifications Addendum, skills programmes, realign the National Diploma: Home Affairs qualification into the Civic Service Officer occupational qualification, and develop learning material for the Senior Government Official occupational qualification. (3) The University of the Free State to develop learning materials for the Administrative Attache and Diplomatic Mission Administrator occupational qualifications. These initiatives aim to ensure that fit-for-purpose, standardised learning materials are developed for the registered qualifications.

2.1.4 Select key events

The below section provides highlights of some of the key events that took place in the period under review:

- **SETA SKILLS SUMMIT AND LAUNCH OF THE SETA INTEGRATED IMPACT PROGRAMMES 23–24 APRIL 2024**

PSETA participated in the inaugural SETA Skills Summit, which took place in April 2024 at the Birchwood Hotel and Conference Centre, under the theme “Together, Skilling the Nation”. The summit’s key objectives included reflecting on the implementation of the skills development mandate, establishing a strategic direction for the next five years (2025–2030) and the launch of the SETA High Impact programmes.



- **RURAL YOUTH DEVELOPMENT NEW VENTURE CREATION LEARNERSHIP, A PARTNERSHIP BETWEEN PSETA, KWAZULU-NATAL: DEPARTMENT OF SOCIAL DEVELOPMENT AND THE NATIONAL YOUTH DEVELOPMENT AGENCY**

In May 2024, PSETA celebrated the graduation of the cohort of unemployed beneficiaries who participated in a rural development New Venture Creation Learnership Programme. This strategic initiative was implemented in collaboration with the KwaZulu-Natal Department of Social Development and the National Youth Development Agency (NYDA). This initiative aimed to empower unemployed youth and persons with disabilities in the Ndumo area in KZN by providing essential entrepreneurial skills for self-employment and local economic development.



- **PSETA-FUNDED ARTISAN DEVELOPMENT PROGRAMME**

PSETA proudly acknowledged the completion of the apprenticeship programme of its artisan learners in June 2024. The beneficiaries underwent their training

through the Tshwane South TVET College in the electrician and mechanical fitter trades. The Electrician apprenticeship programme achieved an impressive 90% completion rate, and the Mechanical Fitter programme achieved an 85% completion rate.



- **IASIA CONFERENCE ON ALTERNATIVE SERVICE DELIVERY AND SUSTAINABLE SOCIETAL RESPONSIVENESS**

In the second quarter of 2024, PSETA participated in the International Association of Schools and Institutes of Administration (IASIA) Conference 2024, which focused on alternative service delivery and sustainable societal responsiveness. The event convened academics, researchers, students, and practitioners who explored innovative approaches to public service delivery that align with sustainability goals. The PSETA CEO delivered a key address at the Conference which focussed on linking the potential to improve and innovate within the public service sector through training and capacity building.



- **23RD ANNUAL SAAPAM CONFERENCE
— A LEGACY OF SERVICE: THE SAAPAM
CONFERENCE AND ITS ROLE IN PUBLIC
SECTOR TRANSFORMATION**

PSETA was a key partner in the 23rd annual SAAPAM conference, which serves as a pivotal platform for advancing public administration and governance within South Africa. Attended by scholars, policymakers, public servants, and thought leaders, the conference theme was “Post-Apartheid South Africa at 30: Understanding the Past, Shaping the Present, and Charting the Future of Public Administration”. The PSETA CEO delivered a presentation on PSETA’s vital role in South Africa’s skills development landscape and emphasised its commitment to the NSDP.



- **LEARNERSHIP FOR PUBLIC SERVICE
OFFICIALS IN COLLABORATION WITH THE
BARGAINING COUNCILS**

PSETA, the Public Service Coordinating Bargaining Council (PSCBC), and General Public Service Sector Bargaining Council (GPSSBC) proudly recognised the accomplishments of 137 public servants who completed the National Certificate in Public Administration level 5 qualification, with a particular focus on procurement. The learnership project was designed to respond to the NSDP priority of worker-initiated training and was implemented in partnership with the two bargaining councils with whom PSETA has established a strategic partnership. This project formed part of the initiatives designed and funded by PSETA to contribute towards the professionalisation of the public sector and fostering ethical, efficient and effective procurement practices.

- **PSETA PROVINCIAL STAKEHOLDER
ENGAGEMENT ROADSHOWS:
STRENGTHENING PARTNERSHIPS FOR
SKILLS DEVELOPMENT**

PSETA successfully conducted a series of provincial stakeholder engagement roadshows across six provinces. The roadshows served to reinforce PSETA’s engagements with the sector that it serves and share critical information on the PSETA’s work.

The outcomes of these roadshows have been significant, leading to:

- deepened collaboration among provincial stakeholders;
- identification of critical skills gaps and priority programmes;
- enhanced awareness of PSETA’s mandate and its impact on skills development; and
- acknowledgement of the urgent need for systemic change in intern absorption policies.



Looking ahead, PSETA aims to consolidate insights garnered from each province, refining its strategic initiatives to ensure that every intervention is contextually grounded and impact-driven. By fostering collaborative relationships and responding to the unique needs of each region, PSETA is poised to play a pivotal role in shaping a skilled and capable public service workforce for South Africa.

2.1.5 Challenges encountered during programme implementation

During the reporting period, PSETA encountered several implementation challenges that affected the timely execution and overall effectiveness of various skills development programmes. These challenges are summarised below:

- **Vacancies:** PSETA had several vacancies with the total vacancy rate at 31% on 31 March 2025. The entity has developed a recruitment plan to reduce the vacancy rate by 5% before the end of March 2026. The process to fill vacancies commenced in April 2025.
- **Budget:** PSETA's limited budget is restricting the SETA from fully implementing its mandate and meeting its stakeholders' skills development needs. PSETA is funded through voted funds, which poses a serious constraint in terms of enabling PSETA to effectively carry out its mandate. For the entity to fully realise its mandate, an alternative funding mechanism is required to increase PSETA's budget. This led the PSETA AA to commission a study on the entity's sustainable funding model. The study was completed in the 2024/2025 financial year, and the report was presented and adopted by the PSETA AA.
- **Delays in learner registration:** A persistent challenge has been the delayed submission of complete and accurate learner documentation by stakeholders, as well as delays in resolving discrepancies identified during the validation of learner agreements. These delays impacted the learner registration process and subsequent programme commencement timelines.
- **Stakeholder-related delays:** Some projects experienced delays in the recruitment and onboarding of targeted beneficiaries, resulting in delays to project implementation timelines. In some cases, late enrolments necessitated the signing of addenda to accommodate replacement learners. To mitigate this challenge, extensions were granted to certain contracts.
- **Workplace preparedness and learner placement:** Monitoring activities revealed that some host workplaces lacked adequate tools of trade necessary to provide a meaningful experiential learning environment for learners in internships and WIL programmes. Additionally, challenges were noted in instances where learners were incorrectly placed in roles unrelated to their qualifications, undermining the intended learning outcomes. In response, affected learners were either reassigned to better-equipped host employers or the identified deficiencies were addressed by the employers.
- **Monitoring findings related to programme co-ordination:** Through routine project monitoring, gaps were identified in the co-ordination and oversight of learners by designated project co-ordinators. These gaps negatively affected learner experience and the quality of programme delivery.
- **Limited participation in strategic research and qualification development:** There was insufficient participation by Public Service Sector stakeholders in strategic initiatives such as the Sector Priority Research programme and the development of occupational qualifications. This has implications for evidence-based planning and responsive qualification design.
- **Slow uptake and implementation of occupational qualifications:** The implementation of newly developed occupational qualifications within the Public Service Sector remains slow. This is compounded by a general lack of awareness and

understanding of these qualifications among Public Service Sector employers, which affects both the demand for and support of occupationally-directed learning interventions.

- **Challenges encountered in submitting quarterly monitoring reports via SETMIS:** PSETA encountered some challenges in submitting its quarterly monitoring reports through the Sector Education and Training Management Information System (SETMIS) during the second quarter of the 2024/2025 financial year. These challenges were primarily technical and varied from one quarter to the next. They were promptly escalated to the relevant Information Technology (IT) service providers for resolution. Contributing factors included limitations in the existing SETMIS functionality, constraints related to the short-term nature of IT support contracts, and certain systemic issues such as the absence of mapped occupational qualifications within the system, an area which falls within the purview of the DHET. As an interim measure to ensure continued compliance and data integrity, PSETA submitted its quarterly monitoring data manually in spreadsheet format.
- **Addressing breaches in stipend management:** During the reporting period, PSETA, together with its partner TVET colleges, identified isolated instances of unethical conduct by certain WIL co-ordinators. In these cases, it was found that some individuals had inappropriately influenced learners to continue receiving stipends despite their employment status, with the expectation that a portion of these funds would be redirected to the co-ordinators. These matters were uncovered through routine monitoring processes jointly conducted by PSETA and the respective TVET institutions. Upon discovery, appropriate remedial actions were taken in accordance with established policies and procedures.

2.2 Organisational environment

In a significant move to bolster governance and enhance strategic oversight, the Minister of Higher Education appointed four members to the PSETA AA effective 22 May and 3 June 2024, respectively. The appointments of Mr Noah Bodiba and Mr Ncedisa Mahala from the Public Servants Association, along with Mr Johnie Dingake from the Police and Prisons Civil Rights Union and Ms Okuhle Sidumane from Productivity South Africa, reflect PSETA's commitment to diversifying its leadership base and enriching its governance structures.

The integration of these esteemed members into the AA enhanced PSETA's capacity to address skills development challenges effectively and ensure that our programmes remained responsive to the needs of the Public Service Sector. Their collective expertise and commitment to service excellence played a pivotal role in advancing PSETA's strategic objectives as we continue to work towards improving service delivery across the nation. It should be noted that Ms Okuhle Sidumane resigned from the PSETA AA in December 2024.

PSETA has filled all the vacant executive positions. The Corporate Services Executive, Advocate Siphokazi Moleshe, assumed duty in April 2024. The vacancy rate at the end of March 2025 was 31%, and the process to fill all the vacant positions commenced in April 2025. PSETA plans to reduce the vacancy rate by less than 5% by March 2026.

2.3 Key policy developments and legislative changes

The following main policy developments and legislative changes during the period under review are relevant to the PSETA's sector:

2.3.1 Public Service Amendment Regulations of 2023

During the 2023/2024 financial year, the Minister of the DPSA issued Draft Regulations to amend the Public Service Regulations of 2016. The Draft Regulations sought to amend the Public Service Regulations of 2016 to, among other things, address challenges in the interpretation and application of the Public Service Regulations of 2016.

Following a public consultation process, the Public Service Amendment Regulations of 2023 were officially adopted in law and came into operation on 1 November 2023.

2.3.2 Medium-Term Development Plan 2024–2029

The MTDP is the medium-term Strategic Plan for the 7th administration of the government for the period 2024–2029. The outcome of the 2024 national general elections led to the formation of the GNU of the 7th administration.

The MTDP's main objective is to strategically guide the work of the 7th administration of the government to achieve the goals set out in the Statement of Intent of the GNU. In addition, the MTDP serves as the implementation framework for the NDP, the existing long-term plan for South Africa towards 2030.

To achieve the goals of the 7th administration of the government, the MTDP identifies three Strategic Priorities, which will be implemented across the State:

- **Strategic Priority 1:** Drive inclusive growth and job creation
- **Strategic Priority 2:** Reduce poverty and tackle the high cost of living
- **Strategic Priority 3:** Build a capable, ethical and developmental State

These three strategic priorities, with a set of policy choices and priority interventions, will be implemented across all government and overseen and monitored by the centre of government.

2.4 Progress towards the achievement of institutional impacts and outcomes

PSETA's Five-Year Strategic Plan 2020/2021–2024/2025 has four outcomes that seek to address the problem of a lack of skills and shortage of technical and professional skills to address service delivery in the Public Service Sector. To contribute to the desired future of sufficient technical and professional skills in the Public Service Sector, in the period under review, the following progress was made towards achieving the desired institutional impact and outcomes:

2.4.1 Outcome 1: Enhanced PSETA capabilities to deliver its strategy

The outcome indicator for this programme is measured by the improved operational performance and an unqualified audit opinion of PSETA's Annual Report, performance information, and financial statements.

To enhance PSETA's capabilities to deliver its strategy, achieve a clean audit outcome, and impact positively to the Public Service Sector that delivers on its mandate, the following output achievements were recorded in the year under review:

- PSETA received a clean audit report from the Auditor General for the 6th consecutive year, a result attributed to the entity's strong corporate governance culture.
- Invoices were paid within 30 days to ensure compliance with the Treasury Regulations section 8.2.3.
- The PSETA implemented 100% of its training plan as part of its internal capacity development, reskilling and upskilling employees to deliver on its mandate.
- PSETA intensified its stakeholder engagement sessions. Six sessions were held in the Northern Cape, Eastern Cape, Free State, Mpumalanga, KwaZulu Natal, and Limpopo. The sessions assisted PSETA in reshaping its strategy and being responsive to the needs of its stakeholders.

2.4.2 Outcome 2: Improved credible research for skills planning

The outcome indicator for this programme is measured by the initiatives implemented to inform skills planning in the sector.

To improve credible research for skills planning and impact on the Public Service Sector that delivers on its mandate, the following output achievements were recorded:

- In preparation for the new strategic cycle, PSETA successfully developed the SSP for the 2025/2026–2029/2030 period. This process was informed by extensive research and stakeholder consultation, culminating in a sector-wide SSP Roundtable hosted in June 2024 to validate and align planning with national priorities and sectoral needs.
- The PSETA Research Agenda and the Research Plan to guide the prioritisation of research requests, support the production of the SSP, and promote evidence-based decision-making were approved and implemented during the year under review.
- In line with the approved Research Plan, six research reports were completed, including PSSPs for Limpopo and the Free State. These studies provided nuanced, province-specific insights into skills development challenges. The Free State PSSP was conducted by the University of the Free State, while the Limpopo PSSP was undertaken by Stellenbosch University.
- Two significant studies were conducted to evaluate the long-term outcomes of learning programmes.
 - The first tracer study, conducted internally, focused on unemployed beneficiaries of the North-West Legislature Learnership and Bursary Programmes, assessing the effectiveness of PSETA-funded interventions in enhancing employability and socio-economic outcomes.
 - The second tracking study, commissioned in collaboration with the DPSA and executed by the University of Pretoria, evaluated the impact of key developmental programmes across the Public Service Sector. These included the Internship Programme (graduate and student interns), matric internships, learnerships, the Graduate

Recruitment Scheme, and apprenticeships. Using a mixed-methods approach, the study assessed transitions into the workforce, the relevance of competencies, and socio-economic improvements of participants from 2020/2021 to 2022/2023. It also generated actionable recommendations for improving programme design, delivery, and monitoring.

- Recognising the distinct requirements of the legislative sub-sector, PSETA appointed the University of the Free State to conduct a dedicated skills needs analysis. The findings and recommendations from this study will inform targeted interventions for capacity building within the legislative sub-sector.
- As part of efforts to deepen sector intelligence at a departmental level, PSETA commissioned the University of Pretoria to conduct a research project on skills needs within the Department of Home Affairs. The study aims to examine sectoral skills dynamics, assess labour market trends, forecast future skills demands, and recommend development interventions aligned to economic and technological drivers. The project is scheduled for completion in the 2025/2026 financial year.
- Building on the successful collaboration between PSETA and the Department of Public Service and Administration (DPSA) in developing the Guidelines for the Organisational Competency Framework for the Public Service, the DPSA issued Circular No. 25 of 2023 in May 2023. This Circular introduced the Public Service Skills Audit Methodology Framework to all Heads of Department, Provincial Administrations, and Government Components. To support effective implementation, PSETA appointed the University of Pretoria to deliver a series of masterclasses in the 2024/2025 financial year. These masterclasses aim to equip the Public Service Sector with applying the Competency Framework Guidelines, the Skills Audit Toolbox, and supporting templates.
- A total of 34 capacity-building sessions were conducted across all nine provinces during the year under review. These engagements focused on enhancing the skills planning capabilities of stakeholders through:

- training on WSPs and SSPs;
- dissemination of key findings from WSPs and Annual Training Report analyses;
- sectoral insights, including skills gaps, hard-to-fill vacancies, and priority areas for development; and
- system workshops to support Skills Development Facilitators for the WSP submission period.
- Furthermore, PSETA introduced targeted WSP implementation monitoring visits to assist selected stakeholders with addressing skills planning challenges.
- In a continued effort to strengthen sector coverage, two new levy-paying public entities — the National Economic Development and Labour Council and the National Heritage Council — were registered with PSETA during the reporting year. Additionally, six organisations (the National Government Pension Administration Agency, Ditsong Museums of South Africa, Eastern Cape Socio Economic Consultative Council, Agreement South Africa, the Western Cape Mobility Department, and the Western Cape Department of Infrastructure) were registered with PSETA, broadening the entity's footprint within the Public Service Sector.

2.4.3 Outcome 3: Increased pool of skills into and within the Public Service Sector

The outcome indicator for this programme is measured by the sectoral priority occupations identified in the SSP and addressed through implementing relevant programmes.

To increase the entity's pool of skills into and within the Public Service Sector and impact positively on the Public Service Sector that delivers on its mandate, the following output achievements were realised:

- Discretionary grant funding was allocated for skills development initiatives addressing the priority actions identified in the PSETA SSP, objectives of the NSDP and the PSETA SLA.
- In the 2024/2025 financial year, 33 agreements on various learning programmes to the value of R64 million (including surplus allocations) were entered into by PSETA and various stakeholders.

- Some of the key flagship projects targeting the youth and rural communities that were implemented are as follows:
 - A project initiated by PSETA in partnership with the Small Enterprise Development and Finance Agency and the Mpumalanga Department of Public Works, Roads and Transport for the implementation of a rural development project targeting youth from rural and remote communities in Mpumalanga province. The New Venture Creation Learnership programme, valued at R4 million, was implemented in Dr JS Moraka Municipality.
 - The qualification is a New Venture Creation at NQF Level 4, with 149 credits. The programme aims to equip beneficiaries in identifying and assessing an entrepreneurial opportunity, designing a business model, and writing a business plan. The qualification will further assist beneficiaries to start and grow sustainable businesses that contribute to the mainstream economy.
 - PSETA, in collaboration with the NYDA and Northern Cape Office of the Premier, launched a New Venture Creation and End-User Computing Learnership programme for unemployed youth in the Francis Baard District Municipality valued at R4 million. The programme is earmarked for persons living with disabilities.
 - The primary purpose of the End-User Computing Learnership is to provide qualifying learners with the skills and knowledge required to undertake advanced tasks and procedures using office technology. This will significantly enhance the learners' prospects of gaining employment by providing a solid grounding in basic computer skills required in today's business environment.
 - PSETA, in collaboration with the NYDA and Limpopo Office of the Premier, implemented a New Venture Creation Learnership programme for unemployed youth in Lepelle-Nkumpi Local Municipality valued at R4 million.
- In the 2024/2025 financial year, PSETA entered into a Memorandum of Agreement with the Free State Office of the Premier for the implementation of the Finance Management and Service Delivery

Skills programmes for 350 public service officials. The funding is intended to support the PSETA-accredited academy, the Free State Training and Development Institution, to be able to train public service officials within the Free State Province.

- Additionally, the PSETA entered into a Memorandum of Agreement with the two bargaining councils within the Public Service Sector for the implementation of the Labour Dispute Prevention Skills programme for 600 public service officials. The programme aims to equip public service officials with the skills and knowledge required for the prevention or detection of labour disputes at an early stage and to assist the officials with the responsibility of chairing disciplinary hearings to speed up the process and ensure the hearing's timely conclusion.
- In the 2024/2025 financial year, 176 out of 200 public service officials employed within the Mpumalanga provincial government attained a qualification at NQF Levels 5 and 6 through the RPL approach. This achievement is attributed to collaboration between involved parties, especially the Mpumalanga province co-ordinators, who ensured clear lines of communication between the beneficiaries and the SDP.
- Additionally, from a total of 150 public service officials, 137 completed a learnership programme (National Certificate: Public Administration (procurement)) at NQF Level 5. This resulted in a 91% completion rate. The success is attributed to a collaboration with the two bargaining councils within the Public Service Sector — PSCBC and the GPSSBC—which made sure that the beneficiaries were from each of the nine provinces and played a vital role in ensuring that employers provided support to the learners during the training process.
- A throughput rate of 65% was achieved in the 2024/2025 financial year for 81 students from various universities who were beneficiaries of the PSETA-funded bursary programme.
- PSETA awarded bursary funding to two public HEIs — the University of Venda and Walter Sisulu University — valued at R3 million for postgraduate students to pursue studies. The induction event was featured in the University of Venda's weekly newsletter, highlighting its role in empowering the future leaders.

- In collaboration with stakeholders within the Public Service Sector, PSETA achieved an absorption rate of 34% among the 93 learners who participated in an Internship Programme during the financial year 2024/2025. This result shows that the Internship Programme had a positive impact, as it prepared learners for a smooth transition into the world of work by providing them with valuable experience and skills.
- During the financial year under review, PSETA successfully achieved its target of 100 and 200 entries for the WIL programme for TVET colleges and Universities of Technology, respectively. Additionally, 100% monitoring of the programme was conducted through either physical site visits or desktop-based monitoring.
- In the 2024/2025 financial year, 5.5% of learners who attended HEIs and TVET Colleges secured permanent employment within the Public Service Sector or were absorbed by their host employers.

2.4.4 Outcome 4: Quality learning interventions in the Public Service Sector

The outcome indicator for this programme is measured by the number of learning interventions available to address the priorities identified in the SSP and the number of accredited SDPs.

To grow the quality of learning interventions available in the Public Service Sector and impact positively on a Public Service Sector that delivers on its mandate, the following output achievements were realised:

- Monitoring and verification visits to accredited SDPs were conducted throughout the year to provide support and ensure compliance with training and development policies and procedures.
- SDP workshops were conducted to improve the understanding of policies and procedures, and requirements for accreditation, implementation, and assessment. Two learnership applications were submitted to QCTO for registration:
 - Higher Occupational Certificate: Immigration Officer, NQF Level 5.
 - Higher Occupational Certificate: Refugee Status Determination Officer, NQF Level 5.

- A total of 486 certificates and 3154 Statements of Results were issued in the period under review for qualifications and part-qualifications within PSETA's scope.
- PSETA also developed an NQF Level 8 — Specialised Occupational Diploma: Programme Manager — in collaboration with other SETAs, State entities, and national and provincial departments, which was submitted to the QCTO for registration.
- Certificates of competence were issued by the QCTO for the learners who were found competent from the External Integrated Summative Assessment, which was written in May 2024.
- PSETA developed and submitted the following Qualification Assessment Specification Addendum to QCTO for approval:
 - Occupational Certificate: Administrative Attaché, NQF Level 5.
 - Higher Occupational Certificate: Immigration Officer, NQF Level 5.
 - Higher Occupational Certificate: Refugee Status Determination Officer, NQF Level 5.
 - Occupational Certificate: Legislation Administrative Assistant, NQF Level 5.
 - Advanced Occupational Certificate: Legislation Facilitator NQF, Level 6.
 - Advanced Occupational Certificate: Customs Officer.
 - Occupational Certificate: Customs Border Control Officer.
 - Occupational Certificate: Customs Declarations Officer.
 - Occupational Certificate: Customs Warehouse Officer.
 - Occupational Certificate: Customs Registration, Licensing and Accreditation Officer.
 - Advanced Occupational Certificate: Excise Officer.
- PSETA concluded the development of learning materials for the Occupational Certificate: Public Service Administrator, NQF Level 5 and started issuing the learning material to SDPs who are accredited to implement the occupational qualification.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration

3.1.1 Purpose of the programme

This programme consists of three sub-programmes, namely Governance, Finance and Supply Chain Management (SCM), and Corporate Services. The purpose of the programme is to ensure that the organisation has effective and efficient governance structures that lead; monitor and evaluate organisational performance; ensure prudent financial management, procurement of goods and services that is compliant with legislation and applies cost containment measures to improve budget efficiencies, and reporting on compliance with relevant acts and regulations; provide efficient and effective corporate services functions to internal departments within the PSETA and external stakeholders by providing the following services: human resources, ICT, improved stakeholder management and communication, and auxiliary services.

Outcomes, outputs, output indicators, targets, and actual achievement

Outcome

Enhanced PSETA capabilities to deliver its strategy.

Output

- Training and development interventions to PSETA employees provided to support National Skills Development Strategy 2030.
- Vacancy rate reduced.
- Integrated Marketing & Communication and Stakeholder Relations Management Plan implemented.
- Career guidance advocacy sessions delivered.
- Availability of ICT systems.
- Valid Invoices paid within 30 days of receipt.

Progress and achievement

Five out of six performance (83.33%) indicators were achieved.

Table 2.4.4.1:

In the 2024/2025 financial year, PSETA tabled its APP once, and as a result, PSETA will not consider Table 2.4.4.1, which provides for reporting changes made to the original tabled APP as per the issued guidelines for reporting on performance information.

Programme 1: Administration							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Outcome: Enhanced PSETA capabilities to deliver its strategy							
Training and development interventions to PSETA employees provided to support National Skills Development Strategy 2030	Percentage of training and development interventions implemented in line with the approved training plan	43%	27.2%	100%	100%	0	Annual target achieved.
Vacancy rate reduced	Percentage of the vacancy rate reduced	N/A	N/A	≥5%	0%	-5%	Target not achieved. Positions on hold due to the finalisation of internal processes. The vacancy rate is at 34%.
Integrated Marketing & Communication and Stakeholder Relations Management Plan implemented	Percentage of the Integrated Marketing & Communication and Stakeholder Relations Management Plan implemented	90%	100%	100%	100%	0	Annual target achieved.

Programme 1: Administration							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Career guidance advocacy sessions delivered	Number of career guidance advocacy sessions delivered	28	Total = 40 Urban = 24 Rural = 16	Total = 32 Urban = 20 Rural = 12	Total = 34 Urban = 20 Rural = 14	Total = +2 Urban = 0 Rural = +2	Annual target achieved (urban career guidance advocacy sessions) and exceeded (rural career guidance sessions due to additional invitations from stakeholders).
Availability of ICT systems	Percentage of the availability of ICT systems	84%	100%	95%	100%	+5%	Annual target exceeded. The overachievement was due to the absence of significant downtimes during the financial year and the proactive response of the service provider.
Valid invoices paid within 30 days of receipt	Percentage of valid invoices paid within 30 days of receipt	100%	100%	100%	100%	None	Annual target achieved.

Linking performance with budgets

The table below depicts expenditure against the budget for the reporting period under review and the previous financial year for the Administration Programme. The over expenditure on the overall Administration budget of approximately R3.9 million was due to depreciation and amortisation costs, and payments incurred for purchase orders issued in the previous year.

Programme	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	54 470	59 003	(4 533)	63 875	67 828	(3 953)

Strategy to overcome areas of underperformance

- **Vacancies:** PSETA has begun addressing its high vacancy rate through the phased filling of positions, a process that commenced in April 2025. Vacant posts have been prioritised and will be filled progressively, taking into account both organisational needs and the current capacity of the HCM unit.



3.2 Programme 2: Skills Planning and Research

The purpose of this programme is to conduct and coordinate research to inform the strategic skills development priorities for the sector. This programme is made up of two organisational business units: Skills Planning and Research. The development and annual update of the SSP, research studies, coordinating research activities and conferences, and capacity building of stakeholders in skills planning are core outputs within this programme.

Outcomes, outputs, output indicators, targets, and actual achievement

Outcome

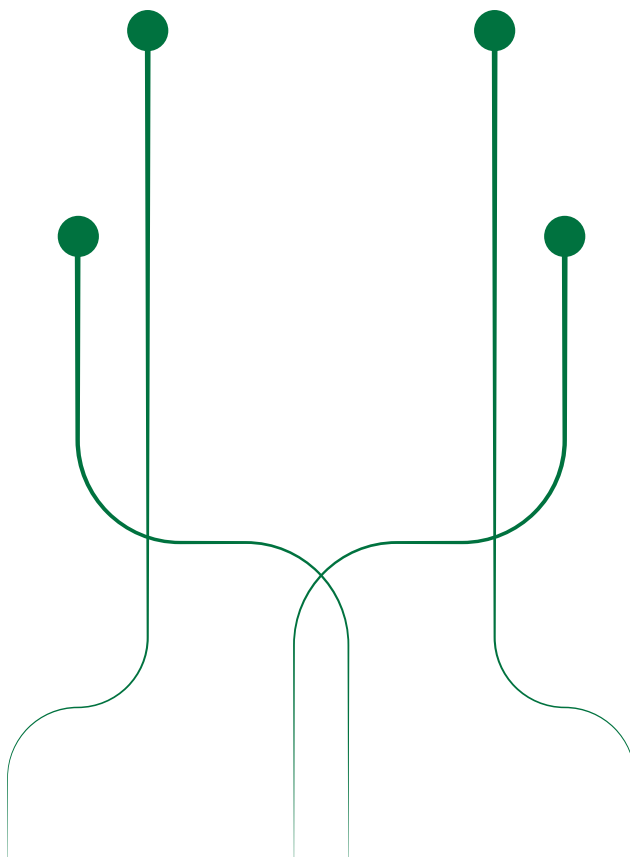
Improved credible research for skills planning.

Output

- Labour market research reports.
- Workplace skills planning initiatives for the sector.

Progress and achievement

Three out of three performance indicators achieved (100% achievement).



Programme 2: Skills Planning and Research							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Outcome: Improved credible research for skills planning							
To collaborate and conduct labour market research and develop a Sector Skills Plan	Number of labour market-related research studies conducted	6	6	6	6	0	Annual target achieved.

Programme 2: Skills Planning and Research							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
To strengthen workplace capabilities in relation to skills planning in the sector	Number of organisations' Workplace Skills Plans (WSPs) approved by PSETA	Total = 156 Small = 9 Medium = 15 Large = 132	Total = 159 Small = 11 Medium = 14 Large = 134	Total = 142 Small = 6 Medium = 10 Large = 126	Total = 165 Small = 13 Medium = 16 Large = 136	Total = +23 Small = +7 Medium = +6 Large = +10	Annual target exceeded The increase is attributed to more departments and public entities whose core functions align with other line function SETAs being encouraged and supported to submit their WSPs to PSETA through a dual reporting process. This proactive engagement contributed to the higher number of submissions received.
	Number of workplace engagements related to labour market trends and skills planning interventions	34	34	34	34	0	Annual target achieved.

Linking performance with budgets

Programme	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Skills Planning and Research	17 147	10 166	6 981	15 126	8 911	6 215

Strategy to overcome areas of underperformance

There were no areas of underperformance.

3.3 Programme 3: Learning Programmes and Projects

3.3.1 Sub-Programme 3.1: Learning Programmes and Projects

The purpose of this programme is to set standards and establish a discipline to manage a collection of Discretionary Grant funded learning interventions identified in the SSP in an objective manner and in line with PSETA strategy and to facilitate and manage the implementation of learning programmes for and within the public service sector. This programme includes special projects (including partnerships) and the monitoring, evaluation and reporting of learning interventions.

Outcomes, outputs, output indicators, targets, and actual achievement

Outcome

Increased pool of skills into and within the Public Service Sector.

Output

Programmes that address priority skills identified in the SSP.

Progress and achievement

All but one (16 out of 17) performance indicators were achieved (94% achievement).

Sub-programme 3.1: Learning Programmes and Projects							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Outcome: Increased pool of skills into and within the Public Service Sector							
Programmes that address priority skills identified in the Sector Skills Plan (SSP)	Number of public service employees entering learning programmes	L/Ship: N/A	L/Ship: N/A	L/Ship: 100	136	+36	Annual target exceeded. Additional beneficiaries were nominated by employers and were recruited into the programme with no additional financial implications.
		SP: 1267	SP: 687	SP: 1250	1381	+131	Annual target exceeded. Additional beneficiaries were nominated by employers and were recruited into the programme with no additional financial implications.

Sub-programme 3.1: Learning Programmes and Projects							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
		RPL: 206	RPL: 202	RPL: 200	255	+55	Annual target exceeded. Additional beneficiaries were nominated by employers and were recruited into the programme with no additional financial implications.
	Number of public service employees completing learning programmes	SP: 675	SP: 767	SP: 1125	1283	+158	Annual target exceeded. The overachievement against this target is due to a higher than anticipated number of learners recruited and successfully completing the programme within the current reporting period.

Sub-programme 3.1: Learning Programmes and Projects							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
		RPL: 237	RPL: 198	RPL: 150	176	+26	Annual target exceeded. The overachievement against this target is due to a higher than anticipated number of learners recruited in the previous financial year, and successfully completing the programme within the current reporting period.
		L/Ship: N/A	L/Ship: N/A	L/Ship: 120	137	+17	Annual target exceeded. The overachievement against this target is due to a higher than anticipated number of learners recruited in the previous financial year, and successfully completing the programme within the current reporting period.

Sub-programme 3.1: Learning Programmes and Projects							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
	Number of unemployed learners entering learning programmes	TVET WIL: 200	TVET WIL: 200	TVET WIL: 100	100	None	Annual target achieved.
		HEI/ HET WIL: 200	HEI/ HET WIL: 200	HEI/ HET WIL: 200	200	None	Annual target achieved.
		Burs: 60	Burs: 60	Burs: 50	50	None	Annual target achieved.
		Internship: 88	Internship: 70	Internship: 50	50	None	Annual target achieved.
		L/Ship: N/A	L/Ship: 80	L/Ship: 50	50	None	Annual target achieved.
	Number of unemployed learners completing learning programmes	TVET WIL: 91	TVET WIL: 176	TVET WIL: 160	193	+33	Annual target exceeded. Learners from the previous financial year completed in the year under review, and the pass rate exceeded the baseline.
		HEI/ HET WIL: N/A	HEI/ HET WIL: 272	HEI/ HET WIL: 160	186	+26	Annual target exceeded. Learners from the previous financial year completed in the year under review, and the pass rate exceeded the baseline.

Sub-programme 3.1: Learning Programmes and Projects							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
		Burs: 38	Burs: 55	Burs: 25	53	+28	Annual target exceeded. Learners from the previous financial year completed in the year under review, and the pass rate exceeded the baseline.
		Internship: N/A	Internship: 53	Internship: 50	52	+2	Annual target exceeded. Learners from the previous financial year completed in the year under review, and the pass rate exceeded the baseline.
		Artisans: 65	Artisans: 54	Artisans: 10	30	+20	Annual target exceeded. Learners from previous financial years' projects completed in the period.

Sub-programme 3.1: Learning Programmes and Projects							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
		L/Ship: N/A	L/Ship: N/A	L/Ship: 112	60	-52	Target not achieved. The target was not achieved as the implementation partner had an issue with the appointed SDP, and learner exits were delayed.

HEI/ HET WIL: Higher Education Institute/ Higher Education and Training Work Integrated Learning; RPL: Recognition of Prior Learning; SP: Skills Programmes; TVET WIL: Technical Vocational Education and Training Work Integrated Learning; L/Ship: Learnership; Burs: Bursary

Additional performance recorded during the year

The following achievements relate to learners funded through 2023/2024 surplus funds and were achieved in the current year under review, contributing to PSETA's overall performance during the 2024/2025 financial year. PSETA supports the implementation of learning programmes funded through surplus funds by registering, monitoring, and completing learners. Learners are reported when they enter the programme and are registered by the SETA.

Output	Output Indicator	Actual Achievement 2024/2025
Outcome: Increased pool of skills into and within the Public Service Sector		
Programmes that address priority skills identified in the Skills Sector Plan	Number of public service employees entering learning programmes	Skills Programme: 463
	Number of unemployed learners entering learning programmes	Learnership: 50
		Bursary: 21
		Internship: 122

Sub-programme 3.2: Special Projects and Partnerships

Outcomes, outputs, output indicators, targets, and actual achievement

Outcome

Increased pool of skills into and within the Public Service Sector.

Output

Programmes that address priority skills identified in the Sector Skills Plan.

Progress and achievement

Six of our six performance indicators were achieved (100% achievement).

Sub-programme 3.2: Special projects and partnerships							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Outcome: Increased pool of skills into and within the Public Service Sector							
Programmes that address priority skills identified in the Sector Skills Plan (SSP)	Number of worker-initiated training (federations/ trade unions) interventions supported through capacity building	1	1	1	1	None	Annual target achieved.
	Number of rural development projects initiated	1	2	2	2	None	Annual target achieved.
	Number of TVET partnerships established	4	4	4	4	None	Annual target achieved.
	Number of HEI partnerships established	2	2	2	3	+1	Annual target exceeded. This is due to increased stakeholder interest and proactive engagement, which led to more partnerships being formalised than initially planned.
	Number of SETA-employer partnerships established	4	4	4	4	None	Annual target achieved.

Sub-programme 3.2: Special projects and partnerships							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
	Number of small businesses supported with training interventions	53	7	4	5	+1	Annual target exceeded One additional small business was supported through efficient utilisation of existing funds, allowing for the inclusion of an extra beneficiary with no additional financial implications.

HEI: Higher Education Institute; SETA: Sector Education and Training Authority; TVET: Technical Vocational Education and Training

Linking performance with budgets

Programme	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Learning Programmes, Projects, Special Projects and Partnerships	171 706	80 229	91 477	161 275	83 491	77 784

Strategy to overcome areas of underperformance

PSETA was not able to achieve one target of learnership completion for the unemployed, which was implemented in partnership with a PSETA strategic partner, due to contractual implementation issues with the appointed SDP. This was eventually resolved; however, learners could not be exited by the end of the financial year. These learners will be exited in the 2025/2026 period.

3.4 Programme 4: Quality Assurance

The purpose of this programme is to build the provider capacity required to deliver priority skills for the sector, developing standards, accrediting providers and conducting quality assurance on learning. The Quality Assurance undertakes the development of new occupational qualifications, and capacitation of providers through advocacy workshops.

Outcomes, outputs, output indicators, targets, and actual achievement

Outcome

Quality learning interventions in the Public Service Sector.

Output

A quality assurance system that allows for effective monitoring, analysis, support, and continuous improvement of provisioning within the Public Service Sector.

Progress and achievement

Five out of five performance indicators were achieved (100% achievement).

Programme 4: Quality Assurance							
Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from Planned Target to Actual Achievement 2024/2025	Reasons for Deviations
Outcome: Quality learning interventions in the Public Service Sector							
A quality assurance system that allows for effective monitoring, analysis, support and continuous improvement of provisioning within the Public Service Sector	Percentage of accredited Skills Development Providers implementing PSETA-funded programmes monitored	100%	100%	100%	100%	None	Annual target achieved.
	Number of TVET Colleges and State academies supported	6	4	4	4	None	Annual target achieved.
	Number of qualifications developed and/ or re-aligned and submitted to QCTO	4	4	2	2	None	Annual target achieved.
	Percentage of accredited Skills Development Providers monitored	N/A	N/A	80%	80%	None	Annual target achieved.
	Number of capacity-building workshops conducted for Skills Development Providers	N/A	4	4	4	None	Annual target achieved.

TVET: Technical Vocational Education and Training; QCTO: Quality Council for Trades and Occupations

Linking performance with budgets

Programme	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Quality Assurance	10 004	4 969	6 035	8 653	4 436	4 217

Strategy to overcome areas of underperformance

There were no areas of underperformance.

4. REVENUE COLLECTION

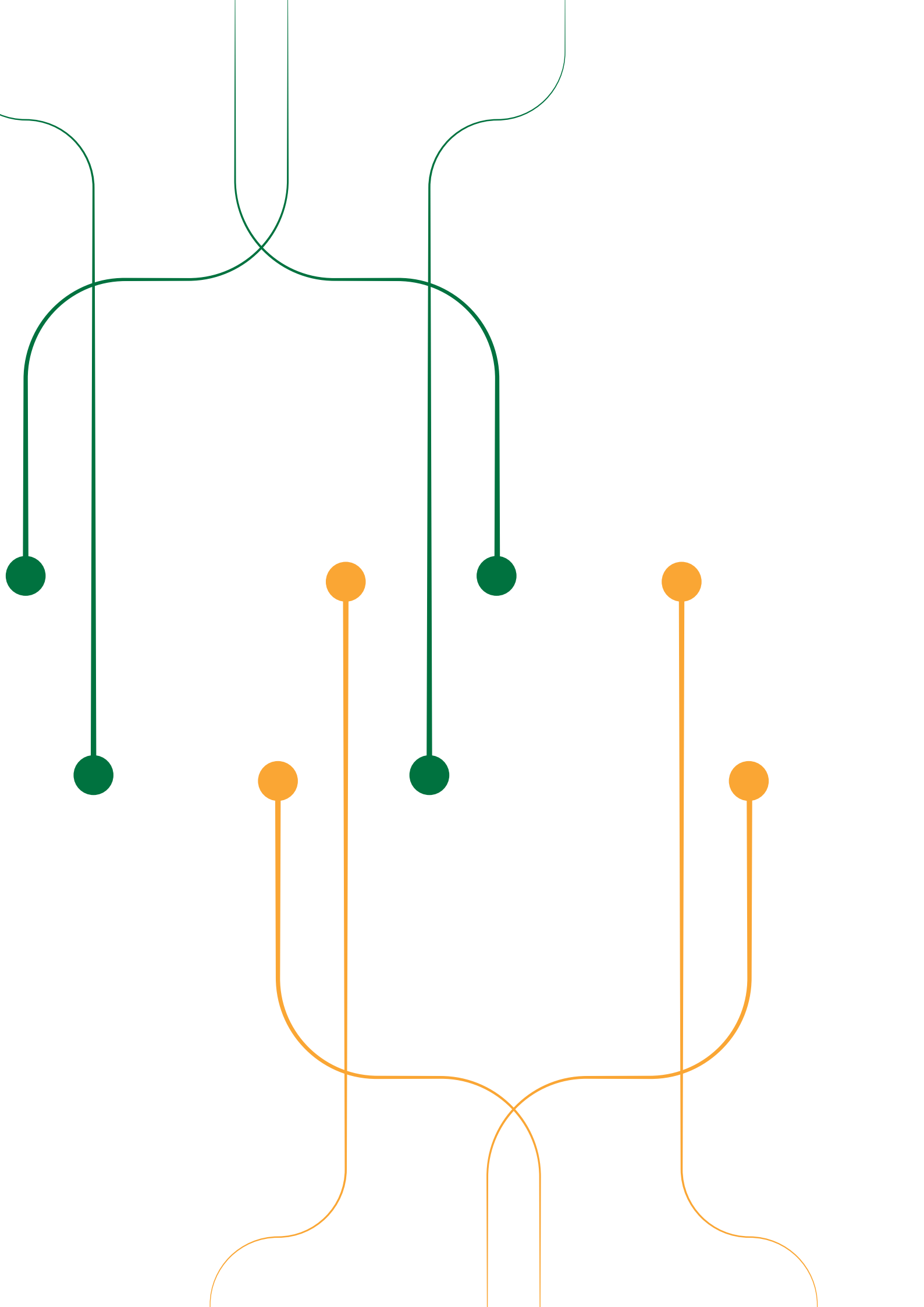
Sources of Revenue	2023/2024			2024/2025		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Skills Development Levy: Income including interest and penalties (Public Entities)	4 670	5 168	(498)	5 600	4 820	(780)
Prior year surplus	30 960	-	30 960	8 164	-	8 164
Transfers from other government departments (National Treasury)	121 461	121 461		126 449	126 449	-
Investment income	7 750	10 796	(3 046)	11 250	10 072	(1 178)
Other income	228	1 248	(1 020)	539	466	(73)
Total	165 069	138 673	26 396	152 002	141 807	(10 195)

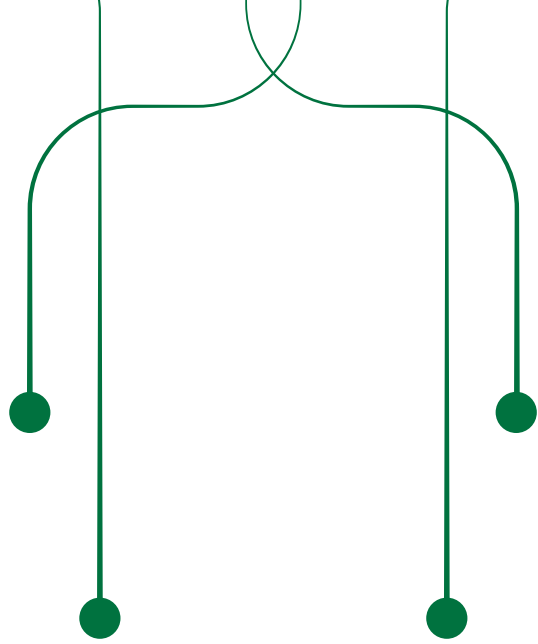
The entity under-collected on its revenue estimates by R2 million due to reduced investment and levy income received in comparison to the budgeted amount in the current year. The balance of the variance is made of the addition of surplus retention funds.

5. CAPITAL INVESTMENT

Capital investment for PSETA is confined to the procurement and enhancement of property, plant, and equipment, as well as intangible assets used for daily operations. These assets are recorded in the asset register, and they depreciate on a straight-line basis over their useful lives.

Infrastructure Projects	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property, plant, and equipment	980	1 735	(755)	1 397	1 253	144
Intangible assets	350	301	49	-	-	-
Total	1 330	2 036	(706)	1 397	1 235	144





PART C

GOVERNANCE



1. INTRODUCTION

PSETA is a public entity established in terms of the SDA and classified as Schedule 3A of the PFMA. It reports to the Ministry of Higher Education and Training and is governed by the Standard Constitution, which was determined by the MHET in terms of Regulation R1399. Several statutory bodies play an oversight role over the functioning of PSETA.

2. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education and Training exercises oversight over the SETAs, HEIs, and DHET, and may invite any SETA to account for its Strategic Plan, APPs, and Annual Report from time to time. There was no invitation for PSETA to appear before the Portfolio Committee during the year under review.

3. EXECUTIVE AUTHORITY

The Executive Authority of PSETA is the Minister of Higher Education and Training, which is responsible for appointing members of the AA and determining their remuneration in accordance with the tariffs set by the Minister of Finance. PSETA is required by the DHET to submit, annually, an SSP, a Strategic Plan and an APP. PSETA is also required in terms of the SDA to enter into an SLA with the DHET and agree on expected deliverables that contribute to the fulfilment of the Ministerial outcomes. Quarterly reports detailing the performance against set targets were submitted to the DHET as required in terms of the Treasury Instruction Note 33, which amended Parts 5 and 30 of the Treasury Regulations, 2005.

The Executive Authority convenes meetings with SETA Chairpersons and Chief Executive Officers from time to time to discuss strategic policy imperatives affecting the sector and the country. These engagements also present an opportunity for the SETA's leadership to share and discuss the challenges encountered by the organisation.

4. THE ACCOUNTING AUTHORITY/BOARD

4.1 Introduction

PSETA's Constitution serves as the basis for establishing its AA, providing oversight, governance, strategic leadership, and guidance over the entity. PSETA's AA comprises 15 members drawn from organised labour, organised employers, community organisations, and one Ministerial appointee, who is the Chairperson.

The roles of the AA are outlined in PSETA's Constitution as follows:

- govern and manage PSETA in accordance with the PFMA, the SDA and any other applicable legislation;
- ensure that PSETA achieves the objectives contemplated in Item 5 and performs the functions contemplated in Item 6 of the Standard Constitution Regulations, according to Government Gazette No. 35336, 11 May 2012;
- provide effective leadership and ensure that PSETA implements the goals of the NSDS and the Performance Agreement with the Minister as the Executive Authority;
- provide strategic direction for PSETA;
- liaise with stakeholders;
- manage institutional risk, ICT governance, and monitor compliance with laws and regulations;
- monitor PSETA's performance;
- ensure that members of the AA and Committees comply with the Code of Conduct set out in Annexure 2 of the Constitution;
- conduct performance assessments of the Audit Committee and the AA; and
- maintain integrity, responsibility, and accountability at all times.

4.2 Accounting Authority Charter

PSETA's AA and sub-committee charters and workplans were reviewed and approved in the year under review. The Annual Board Performance Assessment was conducted by an external service provider for 2023/2024 in line with the good corporate governance as stipulated in the King IV Report on Corporate Governance. Recommendations and areas of improvement are currently being addressed. The PSETA AA has provided strategic direction and leadership by reviewing and approving various policies, quarterly performance reports, and recommending for approval to the Minister of Higher Education budgets,

Strategic Plans, and APPs, as well as monitoring the implementation thereof.

The PSETA AA reports on the SETA's annual performance and confirms that the going concern basis of reporting for the organisation is indicated and confirms that PSETA will continue to be a going concern in the near future.

The PSETA AA determines the implementation and monitoring of policies, procedures, practices, and systems to ensure the integrity of risk management, internal controls, and compliance with laws and regulations to protect the organisation's assets and reputation.

4.3 Composition of the Accounting Authority

The PSETA AA consists of 15 members nominated as follows:

Constituency	Organisation
Ministerial Appointee	Accounting Authority Chairperson (1 member)
Organised Labour	National Education, Health and Allied Workers' Union (2 members) Police and Prisons Civil Rights Union (2 members) Public Servants Association (2 members)
Organised Employers	National Departments (4 members) Legislature (1 member) Public Entities (1 member)
Community /Bargaining Councils	Community Organisations or Bargaining Councils (2 members)

The Minister of Higher Education and Training has appointed three members to the PSETA AA to fill the vacancies that were open due to the replacement of members by their constituencies.

4.4 Membership, qualification, and expertise of the Accounting Authority Members

Name	Designation	Qualifications	Areas of Expertise	Directorships	Sub-committees
Mr T Tshefuta	Ministerial Appointee – Chairperson	Bachelor of Arts in Public Administration Leadership Programme Entrepreneurship Programme Effective Stakeholder Management International Executive Development Programme Postgraduate Diploma in Management	Strategic Management and Leadership; Strategic and Organisational Planning; Government Planning Process; Project Development; Management, Monitoring and Evaluation; Governance	None	Executive Committee
Ms C Brink	Community Organisation	Primary Teaching Certificate Teaching Diploma Bachelor of Technology in Education Management	Report Writing; Corporate Governance and Facilitation in the Local Government Sphere	None	Governance and Strategy Committee Finance Committee
Mr L Nzimande	Community Organisation	Bachelor of Education Certificate in Leadership and Communication	Law Making Processes; Policy Development; Development of Skills; Strategic Management; Research and Report Writing; Strategic Leadership	None	Remuneration Committee Audit Committee Accounting Authority Representative
Mr NN Maesela	Organised Labour	Certificate Correction Science Leadership Bachelor of Arts in Communication Science Advanced Diploma in Management Certificate in Political Economy of Labour Diploma in Corporate Governance	Union Leadership; Labour Relations; Labour Law	None	Governance and Strategy Committee Remuneration Committee
Mr P Makhafane	Organised Labour	Certificate in Labour Relations Management	Union Leadership; Labour Relations; Labour Law	None	Remuneration Committee Executive Committee

Name	Designation	Qualifications	Areas of Expertise	Directorships	Sub-committees
Mr MI Napo	Organised Labour	Diploma in Teaching Secretariate Diploma Bachelor of Human and Social Studies Bachelor of Arts Honours in Developmental Studies	Union Leadership, Research; Governance; Sustainable Development	None	Remuneration Committee Finance Committee
Mr MA Ramakgale (replaced on 22 May 2024)	Organised Labour	Bachelor of Administration Honours in Public Administration Masters in Town and Regional Planning Housing Policy Development and Management Programme Results-Based Monitoring and Evaluation Executive Development Programme	Results-Based Monitoring and Evaluation; Strategic and Conceptualisation Planning Capabilities; Research; Programme and Project Management; Financial Management, Policy Formulation and Implementation; Leadership, Good Governance, and Communication	None	Remuneration Committee Executive Committee
Mr N Mahala (appointed on 22 May 2024)	Organised Labour	Bachelor of Science in Geology Bachelor of Science (Honours) in Geology Master of Science in Mineral Economics	Report Writing and Communication; Policy Development and Implementation; Leadership and Management; Strong Economic Analysis and Forecasting; Strong Research; Robust ICT and Social Media	Board member at the Public Servants Association of South Africa	Remuneration Committee
Ms N Silinyana (replaced on 22 May 2024)	Organised Labour	National Diploma in Marketing Management Diploma in Project Management Diploma in Terminal Management Bachelor of Commerce Degree in Transport Economics	Strategic Leadership and Management; Labour Relations; Union Leadership; Stakeholder Management and Communication; Transport Economics	None	Finance Committee Governance and Strategy Committee

Name	Designation	Qualifications	Areas of Expertise	Directorships	Sub-committees
Mr N Bodiba (appointed on 22 May 2024)	Organised Labour	Diploma in Human Resources Diploma in Education Certificates in Customer Relations, Local Government and Administration; Managing Employment Relations; Public Relations Management Currently studying Bachelor of Law		Board Member of the Public Servants Association of South Africa	Executive Committee
Mr Othusitse Johnie Dingake (appointed 22 May 2024)	Organised Labour	Diploma in Labour Relations		None	Governance and Strategy Committee
Ms L Dlodla	Organised Employer	Honours: Social Science	Report Writing; Project Organisation; Report Generation and Analysis; Budgeting; Co-ordinating; Training; Planning; Strategic Management; Training Development and Facilitating; Compliance and Governance	None	Governance and Strategy Committee Executive Committee
Mr P Moopelwa	Organised Employer	National Diploma in Public Management and Administration Bachelor of Technology in Public Management Bachelor of Arts (Honours) in Public Administration	Financial Management; Strategic Management; Operational Management; Project Management; Human Capital Management; Research; Problem-Solving; Provisioning of Parliamentary Procedural Advice and Management; Negotiation; Presentations; Leadership and Team Building; Marketing; Legal Drafting; Corporate Governance	None	Finance Committee Executive Committee

Name	Designation	Qualifications	Areas of Expertise	Directorships	Sub-committees
Ms T Molefe-Sefanyetso	Organised Employer	Bachelor of Arts in Public Administration	Financial Management; Strategic Management; Operational Management; Project Management; Human Capital Management; Research; Decision-Making; Analytical and Development (Self and Others)	None	Governance and Strategy Committee
Ms N Nzimande	Organised Employer	Bachelor of Commerce in Economics and Accounting Bachelor of Commerce (Honours) Master of Business Leadership	Leadership; Customer and Service Orientation; Significant Process Improvement Experience; Understanding of Organisational Workflows; Data Analysis, Reports and Metrics; Problem-Solving; Project Management	None	Finance Committee Audit Committee Accounting Authority Representative
Ms Okuhle Sidumane (appointed 22 May 2024; resigned 31 December 2024)	Organised Employer	Bachelor of Commerce in Accounting (Honours) Chartered Accountant (SA)	Operational Finance; Risk Management; Compliance and Regulatory Reporting; Supply Chain Management According to Public Finance Management Act and National Treasury Regulations; Management and Cost Accounting; Internal Audit Reporting; Finance Governance; Income Taxation; Tax Accounting	Board Member of Productivity South Africa	Finance Committee

4.5 Alternate members of the Accounting Authority

PSETA did not appoint alternate members for 2024/2025.

4.6 Members of the Accounting Authority

Ten PSETAA meetings were held during the financial year, six of which were special meetings.

Name	Designation	Date of Appointment	Date of Termination	Meetings Attended
Mr T Tshefuta	Ministerial Appointee – Chairperson	01 April 2020	31 March 2025	10
Ms C Brink	Ordinary Member – Community Organisation	01 April 2020	31 March 2025	10
Mr L Nzimande	Ordinary Member – Community Organisation	01 April 2020	31 March 2025	10
Mr P Makhafane	Ordinary Member – Organised Labour	01 April 2020	31 March 2025	10
Mr MI Napo	Ordinary Member – Organised Labour	31 March 2023	31 March 2025	10
Mr NN Maesela	Ordinary Member – Organised Labour	01 April 2020	31 March 2025	9
Mr N Mahala	Ordinary Member – Organised Labour	22 May 2024	31 March 2025	8
Mr MA Ramakgale	Ordinary Member – Organised Labour	22 June 2021	Replaced 22 May 2024	2
Mr NL Bodiba	Ordinary Member – Organised Labour	22 May 2024	31 March 2025	8
Ms N Silinyana	Ordinary Member	22 June 2021	Replaced 22 May 2024	1
Mr OJ Dingake	Ordinary Member – Organised Labour	22 May 2024	31 March 2025	7
Ms T Molefe-Sefanyetso	Ordinary Member – Organised Employer	01 April 2020	31 March 2025	5
Mr P Moopelwa	Ordinary Member – Organised Employer	01 April 2020	31 March 2025	9
Ms O Sidumane	Ordinary Member – Organised Employer	03 June 2024	Resigned 31 December 2024	2
Ms N Nzimande	Ordinary Member – Organised Employer	22 June 2022	31 March 2025	0
Ms L Dlodla	Ordinary Member – Organised Employer	01 April 2020	31 March 2025	6

4.7 Accounting Authority Committees

The AA utilises the following Governance Structures that are established in terms of the PSETA Constitution to assist in carrying out its roles and responsibilities:

- Executive Committee
- Governance and Strategy Committee
- Finance Committee
- Remuneration Committee
- Audit Committee
- Risk Management Committee (Sub-Committee of the Audit Committee)
- Information Communication Technology Steering Committee (Sub-Committee of the Audit Committee)

The Executive Committee

Name of Member	Meetings Held	Meetings Attended
Mr T Tshefuta (Chairperson)	4	4
Mr P Moopelwa	4	3
Mr P Makhafane	4	4
Ms L Dludla	4	3
Mr NL Bodiba	4	1
Mr MA Ramakgale (replaced 22 May 2024)	4	1

Governance and Strategy Committee

Name of Member/ Alternate	Meetings Held	Meetings Attended
Ms L Dludla (Chairperson)	4	3
Ms C Brink	4	4
Mr NN Maesela	4	4
Ms T Molefe-Sefanyetso	4	2
Mr OJ Dingake (appointed 31 July 2024)	4	2

Finance Committee

Name of Member	Meetings Held	Meetings Attended
Mr P Moopelwa (Chairperson)	4	4
Ms C Brink	4	4
Ms O Sidumane (appointed 31 July 2024)	4	0
Ms N Nzimande	4	0
Mr MI Napo	4	4
N Silinyana (replaced 22 May 2024)	4	1

Remuneration Committee

Name of Member	Meetings Held	Meetings Attended
Mr P Makhafane (Chairperson)	6	6
Mr L Nzimande	6	4
Mr NN Maesela	6	6
Mr N Mahala (appointed 31 July 2024)	6	4
MA Ramakgale (replaced 22 May 2024)	6	1
Mr MI Napo	6	6

Remuneration of the Audit Committee

Name	Remuneration	Other Reimbursements	Total
	(R'000)	(R'000)	(R'000)
Mr S Ndaba	121	-	121
Dr Pritish Dala	144	-	144
Mr Zenzele Myeza	61	-	61
Ms Z Francois	141	-	141

Risk Management Committee

Name of Member	Meetings Held	Meetings Attended
Ms L Francois	6	6

Information Communication Technology Steering Committee

Name of Member	Meetings Held	Meetings Attended
Mr S Ndaba	4	4

Joint Audit Committee and Finance Committee

Name of Member	Meetings Held	Meetings Attended
Dr P Dala (AC Chairperson)	1	1
Mr Z Myeza (AC Member)	1	1
Ms L Francois (AC Member and RMC Chairperson)	1	1
Mr S Ndaba (AC Member and ICTSC Chairperson)	1	0
Ms N Nzimande (AC member - AA Representative to the AC)	1	0
Mr L Nzimande – (AC member - AA Representative to the AC)	1	1
Mr P Moopelwa (FINCOM Chairperson)	1	1
Ms C Brink (FINCOM Member)	1	1
Ms O Sidumane (FINCOM Member)	1	-
N Silinyana (FINCOM Member)	1	1
Ms N Nzimande (FINCOM Member)	1	0
Mr MI Napo (FINCOM Member)	1	1

AA: Accounting Authority; AC: Audit Committee; FINCOM: Financial Committee; ICTSC: Information and Communication Technology Steering Committee; RMC: Risk Management Committee

Joint Executive Committee and Governance and Strategy Committee

Name of Member	Meetings Held	Meetings Attended
Mr T Tshafuta (EXCO Chairperson)	1	1
Mr P Moopelwa (EXCO Member)	1	1
Mr P Makhafane (EXCO Member)	1	1
Ms Dludla (EXCO Member)	1	1
Mr NL Bodiba (EXCO Member)	1	-
Mr MA Ramakgale (EXCO Member)	1	1
Ms L Dludla (GSC Chairperson)	1	1
Ms C Brink (GSC Member)	1	1
Mr NN Maesela (GSC Member)	1	1
Ms T Molefe-Sefanyetso (GSC Member)	1	0
Mr OJ Dingake (GSC Member)	1	-
Ms N Silinyana (GSC Member)	1	1

EXCO: Executive Committee; GSC: Governance and Strategy Committee

4.8 Remuneration of AA members

The remuneration of the members of the AA and Committees is in line with the circulars on the adjustment of the remuneration levels, service benefit packages for office bearers of certain statutory and other institutions issued by National Treasury annually. After a directive from the Minister of Higher Education and Training, the AA reached the following decisions:

- Members of the AA are remunerated at the Category S rate for all meetings attended as determined by

the Minister of Higher Education and Training based on National Treasury rates; and

- Members of the AA are reimbursed for all out-of-pocket expenses, including travel, according to the SARS travel and subsistence guidelines.

Note: Meeting fees (preparatory and attendance) are paid as per the AA Remuneration Policy, which aligns with the rates published by National Treasury annually.

Name	Remuneration	Other Reimbursements	Total
	(R'000)	(R'000)	(R'000)
Mr Lewis Nzimande	155	-	155
Mr Thulani Tshefuta	180	88	268
Ms Christelene Brink	155	1	156
Mr Nkojane Nelson Maesela	162	11	173
Mr Patrick Babsy Makhafane	186	11	197
Mr Ncedisa Mahala	125	1	126
Mr Marcus Ramakgale	47	-	47
Mr Moeketse Napo	219	4	223
Mr Othusitse Johnie Dingake	99	13	112
Mr Noah Lebelo Bodiba	101	-	101

4.9 Remuneration of the Audit Committee Members

The remuneration of the Audit Committee members aligns with a circular issued (24 June 2014) and approved by National Treasury on the adjustment of remuneration levels and service benefit packages for office bearers of certain statutory and other institutions. After a directive from the MHET, the AA reached the following decisions listed, which were authorised by the

Executive Authority:

- Members of the AC are remunerated at the Category S rate for all meetings attended.
- Members of the AC are reimbursed for all out-of-pocket expenses, including travel based on the SARS annual kilometre rates, and accommodation costs.

Note: Meeting fees (preparatory and attendance) are paid as per the AA Remuneration Policy, which aligns with the rates published by National Treasury annually.

5. RISK MANAGEMENT

PSETA recognises that risk management is an integral part of good governance and is committed to embedding it across the entity. The SETA has a comprehensive Risk Management Policy, Framework, and Strategy designed to guide the implementation of an effective and integrated risk management system. This system ensures that risks with the potential to impact the achievement of organisational objectives are identified, assessed, and appropriately mitigated.

Risk assessments are conducted annually and reviewed quarterly, allowing for the timely identification of emerging risks and the adjustment of controls. The results of these assessments are reported to the Audit Committee, which plays a key role in overseeing the effectiveness of the risk management system.

Oversight structures include a dedicated Risk Management Committee chaired by an independent Chairperson, which reports to the Audit Committee. The Audit Committee itself maintains independence from executive management and provides objective oversight, strategic advice, and accountability through its direct reporting line to the AA.

PSETA has further strengthened its risk governance by implementing a Combined Assurance Model and establishing a Combined Assurance Forum. This forum enhances co-ordination among assurance providers and supports the organisation in addressing significant risks holistically. Positive developments in risk management have translated into sustained clean audit outcomes and improved control effectiveness and organisational performance.

6. INTERNAL CONTROL UNIT

Internal control is the responsibility of PSETA's management, and it is a fundamental requirement in all operational areas. Each manager is responsible for identifying areas of weakness and implementing mechanisms such as policies and Standard Operating Procedures to strengthen controls. Management ensures that controls are adhered to. Oversight is maintained through audit activities, the Risk Management Committee, the Audit Committee, and various other Governance Structures that monitor the effectiveness of internal controls.

Management monitors controls through the Risk Management and Compliance function, where they identify risks, implement controls, and develop mitigating action plans with target dates for monitoring the improvement of controls in the risk registers.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

7.1 Internal Audit Unit

PSETA has an Internal Audit Department reporting functionally to the Audit Committee and administratively to the CEO. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It assists the entity to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

During the period under review, the Internal Audit Department achieved 100% implementation of its annual Audit operational plan, completing 21 planned projects. The audit projects aimed to provide assurance on PSETA's 2024/2025 risk profile.

The following audit projects were executed and completed in line with the approved 2024/2025 Internal Audit operational plan for the year:

- Audit of Draft 2023/2024 Annual Performance Information Report
- GRAP Review
- Review of Strategic Planning Process
- Review of 2023/2024 Annual Report
- Audit of Quarter 1 & 2 Performance Information
- Review of 2025/2026 APP
- Ethics Management Review
- Audit of the Risk Management Process
- Learning Programmes Review
- Audit of SSP Process
- Audit of Discretionary Grant Process
- Cyber Security Audit
- Review of ICT Governance, Services, and Controls

- Financial Management Review
- Audit of the SCM Process
- Asset Management Review
- Human Capital Management (HCM) Review — Recruitment and selection, termination, leave management, and payroll
- Follow-Up Audit on Internal Audit Matrix and AGSA Matrix — Quarter 01 reported progress
- Follow-Up Audit on Internal Audit Matrix and AGSA Matrix — Quarter 03 reported progress
- Discretionary Grant Performance Audit (rolled over from 2023/2024 Internal Audit Plan)
- Performance Audit on SCM's Acquisition Function

Over and above the planned audit projects, two Probity Audit Reviews were concluded during the 2024/2025 financial year, thus providing assurance on the Microsoft License Renewals and Audit Management Software bids.

Audit Committee Members were appointed on 1 April 2020 for five years. The PSETA AA resolved on 29 July 2022 to include the Chairpersons of both the ICT Steering Committee and Risk Management Committee to be members of the Audit Committee.

7.2 Audit Committee

The independent Audit Committee reports to the PSETA AA. The Audit Committee is responsible for, among other things:

- the effectiveness of Internal Audit and internal controls
- risk management
- ethics management
- combined assurance
- adequacy, reliability, accuracy, and regularity of financial information provided to the AA
- any accounting and audit concerns
- legal and regulatory compliance
- ICT governance.

Name of Member	Meetings Held	Meetings Attended
Dr P Dala (Chairperson)	6	6
Mr Z Myeza	6	6
Ms L Francois	6	6
Mr S Ndaba	6	5
Ms N Nzimande (Accounting Authority Representative)	6	0
Mr L Nzimande (Accounting Authority Representative)	6	6

The following table discloses relevant information on the Audit Committee members.

Name	Qualifications	Internal or External	If Internal, Position in the Public Entity	Date Appointed	Date Resigned	Meetings Attended
Dr Prittish Dala	PhD (Information Technology); Masters (Information Technology); BSc Hons (Computer Science); Bachelor of Information Technology; Chartered Director: SA; Certified Information Systems Auditor; Certified Information Security Manager; Certified Information Systems Security Professional; Lead Auditor ISO 27001; Certified in the Governance of Enterprise Information Technology; Certified in Risk and Information Systems Control; Certified Ethical Hacker; Computer Hacking Forensic Investigator	External	N/A	01 April 2020	N/A	6
Mr Zenzele Myeza	Master's in Business Administration; Bachelor of Commerce Accounting; Certificate in Corporate Governance; Certificate in Aviation Management; Chartered Director: SA	External	N/A	01 April 2020	N/A	6
Ms Lorraine Francois	Master's in Business Administration; General Internal Auditor Certification; Postgraduate Certificate: Accounting; Bachelor of Commerce Degree	External	N/A	29 July 2022	N/A	6
Mr Sandile Ndaba	Bachelor of Science; Diploma in Datametrics; Postgraduate Diploma in Business Management; Master of Commerce (Information Technology); Master's in Business Leadership	External	N/A	29 July 2022	N/A	5
Mr Lewis Nzimande (Accounting Authority Representative)	Bachelor of Education; Certificate in Leadership and Communication	External	N/A	01 April 2020	N/A	6
Ms Nelisiwe Nzimande (Accounting Authority Representative)	Bachelor of Commerce; Bachelor of Commerce: Honours; Master in Business Leadership; Chartered Director: SA	External	N/A	01 April 2020	N/A	0

8. COMPLIANCE WITH LAWS AND REGULATIONS

PSETA is classified as a national public entity in terms of Schedule 3A of the PFMA and is, therefore, subject to a defined legal and regulatory framework. The entity regularly reviews its regulatory environment and has an approved Compliance Management Policy and Framework, as well as a Compliance Regulatory Universe that outlines all applicable laws and regulations.

The entity has developed a comprehensive compliance checklist, which serves as the foundation for quarterly compliance management monitoring and reporting. This ensures ongoing oversight and alignment with regulatory requirements and is submitted to the Risk and Audit Committee for oversight.

9. FRAUD AND CORRUPTION

PSETA has adopted a zero-tolerance approach to fraud and corruption. The entity has an approved Anti-Fraud and Corruption Policy and a Fraud Prevention Plan, designed to prevent, detect, and respond effectively to incidents of fraud and corruption. An independent service provider manages the Ethics and Fraud Hotline, which is accessible to both employees and the public, with the option for anonymous reporting. All reports received through the hotline are assessed, investigated where necessary, and communicated to the PSETAAA and its delegated Committees. Where warranted, complex cases are referred to external specialists for further investigation.

To reinforce a culture of openness and accountability, PSETA has also implemented a Whistleblowing Policy, ensuring that all reported cases are addressed in accordance with legal requirements and appropriate corrective measures are taken. In addition, the organisation conducts regular, organisation-wide fraud awareness workshops to promote integrity and transparency throughout its operations.



10. MINIMISING CONFLICT OF INTEREST

To promote transparency and accountability, PSETA has implemented comprehensive measures to manage and minimise conflicts of interest. Formal Declarations of Interest by PSETA AA members are noted, and records are maintained by the Acting Board Secretary. AA members, AA sub-committee members, and staff are required to declare any actual or potential conflicts of interest upon appointment and annually thereafter. For the 2024/2025 financial year, all AA members, sub-committee members, and employees submitted their Declarations of Interest.

In addition to the annual process, conflict of interest declarations are a standing agenda item at all governance meetings, including SCM-related meetings. Members make interest declarations at each meeting, and where a conflict is identified, the affected individual is recused from related deliberations and decisions.

The Conflict-of-Interest Policy prohibits the awarding of bids to any individuals in the service of PSETA or to entities with direct or indirect interests in its business operations. Conflict of interest declarations are monitored throughout the year to ensure compliance and safeguard the integrity of PSETA's governance processes.

11. CODE OF CONDUCT

PSETA has a Code of Conduct that sets out the ethical standards and expected behaviour for employees, learners, consultants, and governance structure members in their daily operations and interactions with stakeholders. The Code of Conduct promotes a culture of ethics, honesty, professionalism, and accountability, aligned with the organisation's core values and South African legislation. It provides guidance on ethical decision-making, legal obligations, and appropriate conduct to foster public trust and sector credibility. It also supports the reporting of misconduct and includes mechanisms to ensure compliance with policies and procedures.

All members of the organisation are expected to adhere to the Code, with violations subject to disciplinary action in terms of PSETA's Discipline Management Policy.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

PSETA is committed to fostering a safe and healthy workplace, which is reflected in our implementation of an approved Occupational Health and Safety Policy and Standard Operating Procedures. These measures are designed to effectively manage health and safety concerns within the organisation.

In an effort to enhance ergonomic support for our employees, we have replaced office chairs to align with established ergonomic standards. Additionally, we have developed comprehensive safety guidelines for guests, visitors, and contractors, which are communicated during all meetings with external stakeholders by our Occupational Health and Safety representatives.

To ensure preparedness in emergency situations, PSETA successfully conducted an Emergency Evacuation Drill on 13 September 2024. This drill is a vital component of our strategy to uphold governance and compliance regarding health and safety matters that may impact our employees. Furthermore, we participated in an emergency evacuation drill organised by our landlord on 22 November 2024, reinforcing our commitment to collaborative safety practices.

PSETA has also fulfilled the requirements of the Occupational Health and Safety Act (Act 85 of 1993) by establishing an operational Occupational Health and Safety Committee. This committee convenes quarterly to oversee health-related matters and ensure ongoing compliance with Occupational Health and Safety regulations.

Overall, PSETA remains dedicated to maintaining a safe working environment and continuously improving health and safety standards for the benefit of all employees and stakeholders.

13. BOARD SECRETARY

The Board Secretariat function is performed internally. The roles and responsibilities of the Board Secretary are outlined in the entity's Constitution. The Board Secretary reports functionally to the PSETA AA and operationally to the CEO. The post of the Board Secretary has been vacant since the 2020/2021 financial year. During the period under review, the post of the Board Secretary remained vacant, and Mr Lwazi Silas, the Board Administrator, was appointed as the Acting Board Secretary. Filling the Board Secretary post is currently in progress and is expected to be finalised in the 2025/2026 financial year.

14. SOCIAL RESPONSIBILITY

Career guidance outreach: Empowering youth through strategic partnerships

As part of its commitment to fostering a skilled and ethical public service workforce, PSETA successfully hosted a Career Day at Mothotlung High School in Gauteng. Aligned with the NSDP, this initiative underscored PSETA's dedication to bridging the gap between education and employment by equipping learners with critical career insights and access to sector-specific opportunities.

Key highlights

- **Leadership engagement:** Advocate Siphokazi Moleshe, PSETA's Corporate Services Executive, delivered an inspiring keynote address, sharing her career journey and emphasising adaptability, lifelong learning, and integrity. Her reflections resonated with learners, reinforcing the value of perseverance and ethical leadership in professional growth.



- **Sector-specific collaborations:** Partner

organisations, including Khetha Career Development Services (DHET), the Culture, Arts, Tourism, Hospitality, and Sport Sector Education and Training Authority, Mining Qualifications Authority, Manufacturing, Engineering and Related Services Sector Education and Training Authority, and the Southern African Institute of Government Auditors, provided actionable insights into diverse sectors such as tourism, mining, engineering, and public auditing. These sessions highlighted qualifications, training pathways, and emerging opportunities within priority economic sectors.

- **Interactive learner participation:** Structured discussions enabled learners to articulate aspirations, assess strengths, and align personal goals with national skills demands.

Outcomes and impact

The Career Day achieved measurable success in:

- **Enhancing awareness:** Learners gained clarity on SETA mandates, post-school education options, and skills development pathways.
- **Facilitating direct engagement:** Over 200 learners interacted directly with industry professionals, accessing tailored advice on career planning.
- **Promoting values-driven development:** Emphasis on self-discipline, respect, and honesty reinforced ethical foundations for future career decisions.

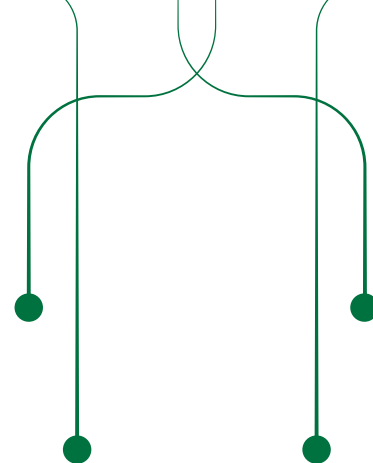


Forward-looking commitment

The overwhelmingly positive feedback from educators and learners highlights the critical role of such initiatives in shaping South Africa's future workforce. PSETA remains steadfast in expanding its outreach programmes, with plans to replicate this model in additional schools. By prioritising partnerships, learner engagement, and alignment with national skills priorities, PSETA continues to drive its mission of building a capable and developmental Public Service Sector.

This initiative exemplifies PSETA's strategic focus on empowering youth, fostering collaboration, and advancing the NSDP's vision for a skilled, inclusive economy.





Dr. P Dala

Chairperson, PSETA Audit Committee

15. AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 31 March 2025.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

Internal Audit continues to provide assurance in terms of control, governance, and risk management as per the approved risk-based audit plan. At the end of the financial year, the following 21 audit engagements as listed below were completed as per the approved risk-based audit plan as well as 2 additional probity reviews:

Approved Risk-Based Audit Plan - Audit Engagements	
Asset Management Review	Follow-Up Audit on Internal Audit Matrix and AGSA Matrix - Quarter 01
Audit of the Discretionary Grant Process	Follow-Up Audit on Internal Audit Matrix and AGSA Matrix - Quarter 03
Audit of the Quarter 1 and 2 Performance Information	Generally Recognized Accounting Practice (GRAP) Review
Audit of the Sector Skills Plan (SSP) Process	Human Capital Management (HCM) Review
Audit of the Draft 2023/2024 Annual Performance Information Report	Learning Programmes Review
Audit of the Risk Management Process	Performance Audit of the Supply Chain Management (SCM) Acquisition Function

Approved Risk-Based Audit Plan - Audit Engagements	
Audit of the Supply Chain Management (SCM) Process	Review of the 2025/2026 Annual Performance Plan (APP)
Cyber Security Audit	Review of the ICT Governance, Services, and Controls
Discretionary Grant Performance Audit	Review of the 2023/2024 Annual Report
Ethics Management Review	Review of the Strategic Planning Process
Financial Management Review	
Note: 2 additional probity reviews were conducted by Internal Audit in addition to the 21 audit engagements as per approved risk-based audit plan.	

The Audit Committee welcomes the 100% completion of the approved risk-based audit plan, as a commendable milestone when compared to previous financial years, which should be maintained by the Chief Audit Executive going forward. Furthermore, the Audit Committee commends Internal Audit for achieving the highest rating of “General Conformance” during the mandatory external quality assurance review that was conducted during the financial year.

The Audit Committee’s review of the findings identified by the internal and external auditors reveals that the control environment as well as risk management and governance processes are generally adequate and effective.

In-Year Management and Monthly/Quarterly Reports

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

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the unaudited financial statements with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Reviewed changes in accounting policies and practices;
- Reviewed compliance with legal and regulatory provisions;
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues;
- Reviewed the unaudited information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;

- Reviewed the Auditor-General South Africa (AGSA) audit and management reports, with due consideration of the responses provided by Management; and
- Reviewed the audited financial statements as well as the information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Authority.

Auditor General’s Report

The Audit Committee concurs with the conclusions of the Auditor General South Africa (AGSA) on the annual financial statements and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

We would like to express our appreciation to the Accounting Authority for their leadership and support as well as all other assurance providers and most importantly commend PSETA for achieving a seventh consecutive “clean” audit outcome (unqualified with no material findings).

P Dala

Dr. P Dala

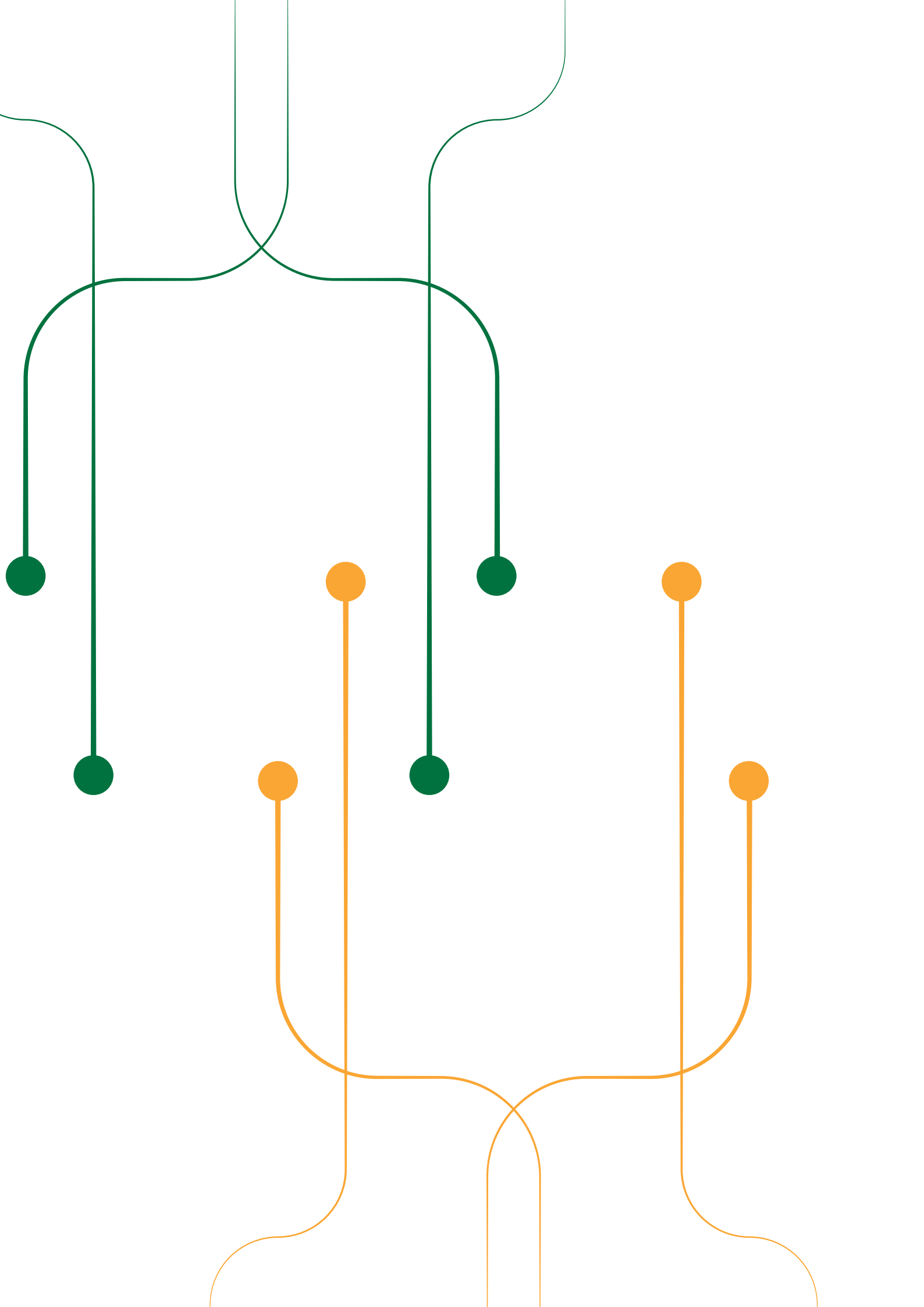
Chairperson, PSETA Audit Committee

Date: 6 August 2025

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance with the B-BBEE (Broad-Based Black Economic Empowerment) requirements of the B-BBEE Act (2013, as amended) and as determined by the Department of Trade, Industry and Competition.

Has the Department/ Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	PSETA issued qualification certificates to learners who completed a learnership programme under the Skills Development Act (1998), an Act that supports access to economic opportunities, thereby falling under the scope of B-BBEE compliance.
Developing and implementing a preferential procurement policy?	Yes	PSETA has a preferential procurement plan aligned with the Preferential Procurement Policy Framework Act and National Treasury Guidelines, supporting inclusive economic participation in line with the objectives of the B-BBEE Act (2013, as amended).
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	Yes	PSETA has categorised its stakeholders, mapped their responsibilities, and documented tailor-made engagement strategies. Furthermore, skills development partnerships are guided by various policies, including the Learning Programmes Policy, which outlines the terms of engagement with both public and private providers of occupational learning, as well as other training academies and State academies. These initiatives align with the goal of the B-BBEE Act (2013, as amended) to promote inclusive economic participation.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	PSETA offers discretionary grants to qualifying learners to undergo training through accredited providers, thereby supporting the objectives of B-BBEE.





PART D

HUMAN CAPITAL RESOURCE MANAGEMENT



1. INTRODUCTION

1.1 Overview of Human Capital Management (HCM) at PSETA

The HCM function at PSETA plays a vital role in effectively managing our workforce and supporting the organisation's mission. By focusing on our human capital, we strive to ensure that our employees are engaged, productive, and aligned with the entity's goals.

During the year under review, HCM prioritised key initiatives aimed at addressing current challenges while enhancing overall workforce effectiveness. Notably, we are committed to implementing a comprehensive training plan, reducing the vacancy rate by 5%, and presently addressing a vacancy rate of 31%. To support these objectives, we are developing a tailored performance management framework that aligns with employee job profiles. This framework will facilitate effective performance management, foster continuous improvement, and ensure that individual contributions support PSETA's organisational goals.

In a forward-thinking approach, PSETA has partnered with Workforce Healthcare to promote and enhance the overall health and well-being of our employees. This collaboration is expected to significantly contribute to the effectiveness and efficiency of our team members.

The HCM Department continues to review, develop, and workshop approved policies, which are communicated to the staff to reinforce governance. We are dedicated to ensuring that our policies remain relevant to current legislation, thus minimising audit findings and promoting compliance.

While we acknowledge the challenges we face, including a high vacancy rate and the full implementation of our training plan, we are optimistic about our proactive strategies. The HCM team is actively reorganising our approach to these processes, demonstrating resilience and a commitment to improvement.

As we move forward, we remain dedicated to addressing these challenges and enhancing our HCM practices, ultimately contributing to PSETA's mission and the success of our workforce.

1.1.1 Human Resource Workforce Planning

Enhancing Human Resources Workforce Planning at PSETA: A Focus on Strategic Initiatives

In 2024, PSETA took a monumental step towards strengthening its Human Resources workforce planning by launching the Job Evaluation, Job Profiling, and Salary Benchmarking Project. This initiative is not only a response to the evolving demands of the Public Service Sector but also a significant move towards aligning our workforce capabilities with organisational strategic goals. Central to this project is our commitment to employee well-being and the creation of a high-performing workforce that meets the needs of the education and training landscape.

This strategic endeavour includes an extensive salary benchmarking exercise aimed at ensuring that our remuneration practices are equitable and competitive within the sector. By aligning job roles with fair compensation, we aim to establish a strong foundation for our workforce planning efforts, ensuring we attract and retain top talent equipped to drive our mission forward.

Once the project is finalised and approved, it will serve as a foundational tool for formal job evaluations, guiding remuneration strategies that recognise and reward talent.

This initiative stands as a testament to PSETA's commitment to nurturing a motivated and skilled workforce. By integrating these new job profiles into our workforce planning strategy, we will enhance recruitment, performance management, and skills development across the organisation.

In tandem with the Job Evaluation, Job Profiling, Salary Benchmarking Project, our HCM Department remains focused on workforce planning. We are diligently assessing the skills available in our current workforce against those needed to achieve our organisational objectives. By developing robust talent management strategies, we aim to create a sustainable talent pipeline that ensures the availability of skilled resources to meet our operational demands.

Through these co-ordinated efforts, we underscore our dedication to fostering a thriving workplace that prioritises both employee growth and organisational success. The proactive approach we are taking in workforce planning, coupled with the strategic enhancements from the Job Evaluation, Job Profiling, and Salary Benchmarking Project, positions PSETA to not only meet the immediate needs of our organisation but also to adapt to the dynamic landscape of Public Service Sector education and training in the years to come.

1.1.2 Vacancies

PSETA currently has 64 approved positions within its organisational structure. There are 20 vacancies, translating to a vacancy rate of 31%. The HCM Department is actively working to fill these positions, aiming to reduce the vacancy rate by 5%. This proactive approach reflects our commitment to strengthening our workforce and enhancing operational efficiency.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel-related expenditure

Personnel cost by programme/ activity/ objective

Programme/ Activity/ Objective	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total (R'000)	Number of Employees	Average Personnel Cost per Employee (R'000)
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025
Administration	67 829	29 916	44%	28	1 068
Skills Planning and Research	8 911	3 358	38%	5	672
Learning Programmes	79 560	7 235	9%	9	804
Projects Management	3 932	3 675	93%	4	919
Quality Assurance	4 436	2 383	54%	3	794
Total	164 668	46 567	28%	49	950

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of Personnel Expenditure to Total Personnel Cost (R'000)	Number of Employees	Average Personnel Cost per Employee (R'000)
Top Management	9 981	21%	5	1 996
Senior Management	12 725	27%	9	1 414
Professional Qualified	10 869	24%	8	1 359
Skilled	8 255	18%	10	826
Semi-skilled	4 198	9%	14	300
Unskilled	539	1%	3	180
TOTAL	46 567	100%	49	950

Performance rewards

Programme/ Activity/ Objective	Performance Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost (R'000)
Top Management	655	9 981	7%
Senior Management	818	12 725	6%
Professional Qualified	517	10 869	5%
Skilled	485	8 255	6%
Semi-skilled	488	4 198	12%
Unskilled	0	539	0%
TOTAL	2 963	46 567	6%

Training costs

Programme/ Activity/ Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of Employees Trained	Average Training Cost per Employee (R)
Corporate Services	47 567	1 384	3%	32	43
Total	46 567	1 384	3%	32	43

Employment and vacancies

Programme/ Activity/ Objective	2023/2024 Number of Employees	2024/2025 Approved Posts	2024/2025 Number of Employees	2024/2025 Vacancies	% of Vacancies
Administration	27	36	25	11	31%
Skill Planning and Research	5	6	3	3	50%
Learning Programmes	9	9	9	0	0%
Project Management	4	4	4	0	0%
Quality Assurance	3	9	3	6	67%
TOTAL	48	64	44	20	31%

Programme/ Activity/ Objective	2023/2024 Number of Employees	2024/2025 Approved Posts	2024/2025 Number of Employees	2024/2025 Vacancies	% of Vacancies
Top Management	4	5	5	0	0%
Senior Management	9	11	7	4	36%
Professional Qualified	8	15	7	8	53%
Skilled	10	16	10	6	38%
Semi-skilled	14	15	13	2	13%
Unskilled	3	2	2	0	0%
TOTAL	48	64	44	20	31%

Employment changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	4	1	0	5
Senior Management	9	0	2	7
Professional Qualified	8	0	1	7
Skilled	10	0	0	10
Semi-skilled	14	0	1	13
Unskilled	3	0	1	2
Total	48	1	5	44

Reasons for staff leaving

Reason	Number	% of Staff Leaving
Death	0	0%
Resignation	2	3%
Dismissal	2	3%
Retirement	0	0%
Ill health	1	2%
Expiry of contract	0	0%
Other	0	0%
Total	5	8%

Three employees resigned during the year, and the process to fill the vacant started in April 2025.

Labour relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal warning	0
Written warning	1
Final written warning	3
Dismissal	1
Total	5

2.1.1 Equity target and employment equity status

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	1	0	0	0	0
Senior Management	4	0	0	1	0	1	0	0
Professional Qualified	4	0	0	1	0	1	0	1
Skilled	2	1	0	0	0	1	0	0
Semi-skilled	4	1	0	1	0	1	0	1
Unskilled	0	1	0	0	0	0	0	0
TOTAL	15	3	0	4	0	4	0	2

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	1	1	1	0	0
Senior Management	4	0	0	0	1	0	0	0
Professional Qualified	3	2	0	1	0	1	0	1
Skilled	7	0	0	1	0	1	0	1
Semi-skilled	10	0	0	1	0	1	0	1
Unskilled	2	0	0	0	0	0	0	0
TOTAL	28	3	0	4	2	4	0	3

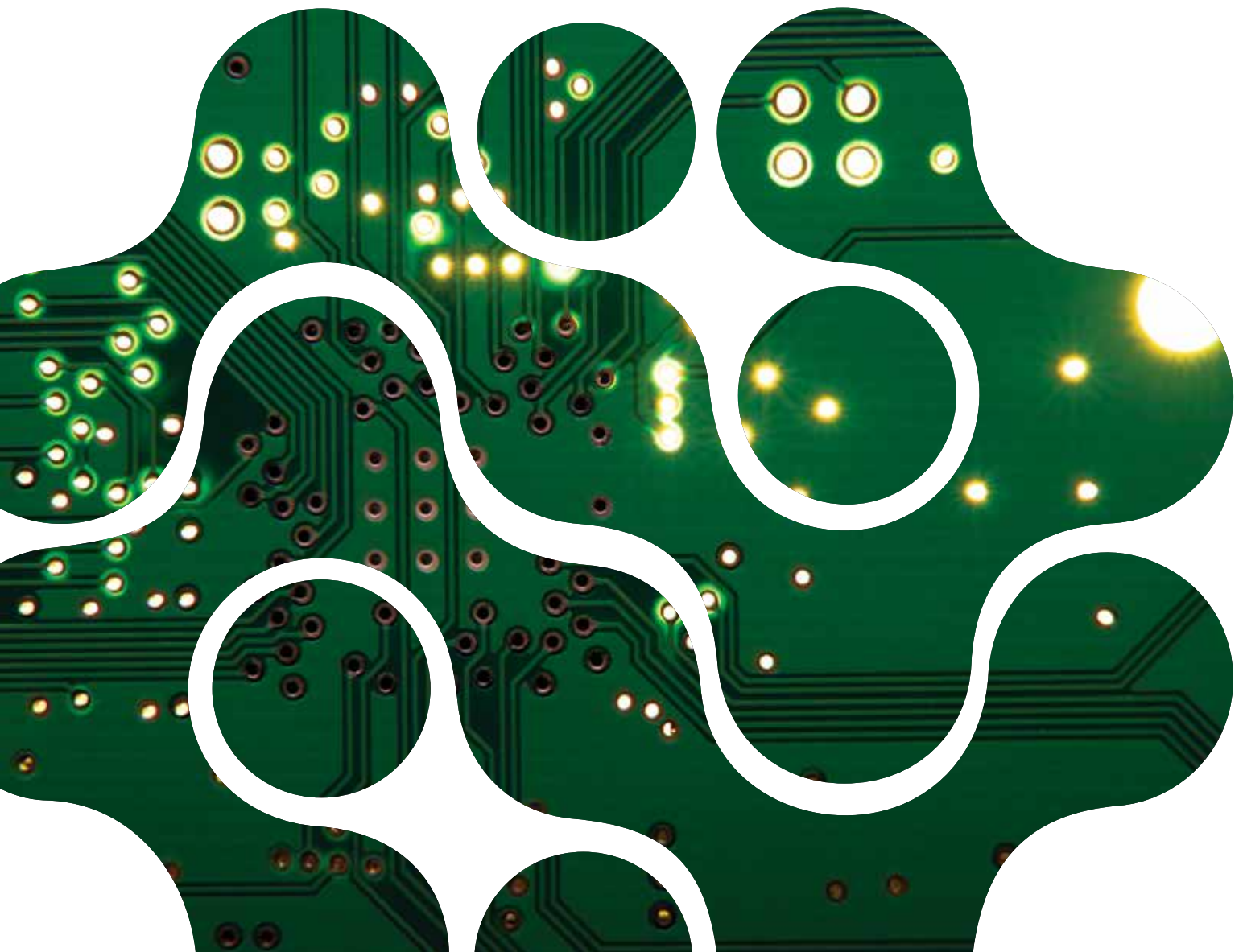
Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	0	1	0	1
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	0	1





PART E

PFMA COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS, AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	42 330
Adjustment to opening balance	-	-
Opening balance as restated	-	42 330
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	(42 330)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable ¹	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	-	-

During the year under review, no irregular expenditure was incurred or paid.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	-	-

Details of irregular expenditure (under assessment, determination, and investigation)

Description ²	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

There were no irregular expenditure transactions for the year under review.

Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	42 330
Total	-	42 330

¹ Transfer to receivables

² Group similar items

Details of irregular expenditure removed — (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

1.2 Additional disclosure relating to inter-institutional arrangements

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

Description
N/A

Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2024/2025	2023/2024
	R'000	R'000
N/A	-	-
Total	-	-

Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary Steps Taken
N/A

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

1.3 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable ⁴	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁵	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary Steps Taken
N/A

⁴ Transfer to receivables

⁵ Group similar items

1.4 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii)⁶

Details of material losses through criminal conduct

Material Losses Through Criminal Conduct	2024/2025	2023/2024
	R'000	R'000
Theft	308	307
Other material losses	-	-
Less: Recoverable	(237)	(129)
Less: Not recoverable and written off	(71)	(178)
Total	-	-

The total loss and theft was for R308 225 and the insurance settlement amounted to R 237 000.

Details of other material losses

Nature of Other Material Losses	2024/2025	2023/2024
	R'000	R'000
N/A	-	-
Total	-	-

Other material losses recoverable

Nature of Losses	2024/2025	2023/2024
	R'000	R'000
N/A	-	-
Total	-	-

Other material losses not recoverable and written off

Nature of Losses	2024/2025	2023/2024
	R'000	R'000
N/A	-	-
Total	-	-

2. LATE AND/ OR NON-PAYMENT OF SUPPLIERS

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received	1 756	112 103
Invoices paid within 30 days or agreed period	1 756	112 103
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	-	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

⁶ Information related to material losses must also be disclosed in the annual financial statements.

3. SUPPLY CHAIN MANAGEMENT

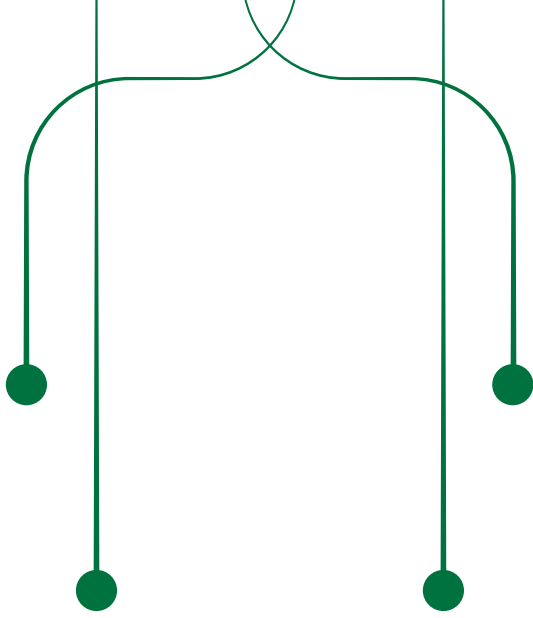
3.1 Procurement by other means

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract R'000
Legal services to represent PSETA, QCTO, and SAQA in the high court proceedings	Cheadle Thomson & Haysom Inc	Contract procured by SAQA on behalf of the other two entities	N/A	408
Procurement of PaySpace system	CCG Systems	PSETA appointed Visionwave (PTY) LTD to develop the ERP system, the payroll system that has been developed can only be integrated with the PaySpace system	RFP/2021/001055	159
Appointment of a service provider to conduct IA external quality assessment	RSM SA Consulting	PSETA appointed a panel of auditors with only two providers appointed under this category	RFP/2021/001045	351
Appointment of a service provider for provision of Caseware solution	Adapt IT	Adapt IT is the sole provider for Caseware	RFP/2021/001076	44
Appointment of a service provider to conduct SCM performance audit	MBE	Only two responses received from the six companies that have been appointed under the regulatory category	RFP/2021/001049	288
Total				1 251

ERP: Enterprise Resource Planning; IA: Internal Audit; QCTO: Quality Council for Trades and Occupations; SAQA: South African Qualifications Authority.

3.2 Contract variations and expansions

Project Description	Name of Supplier	Contract Modification Type (Expansion or Variation)	Contract Number	Original Contract Value	Value of Previous Contract Expansion/s or Variation/s (if applicable)	Value of Current Contract Expansion or Variation
				R'000	R'000	R'000
Appointment of a service provider to provide end-to end recruitment process for Finance Manager	1 Africa Chartered Accountant	Contract variation	RFP/2021/000920	414	N/A	284
Appointment of a service to provide end-to-end recruitment for two Quality Assurance Specialists	Tsakisi Training and Consulting	Contract variation	RFP/2021/000946	713	N/A	349
Total				1 127		633



PART F

FINANCIAL INFORMATION



REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to Parliament on the Public Service Sector Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Public Service Sector Education and Training Authority set out on pages 94 to 97 which comprise the statement of financial position as at 31 March 2025, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Service Sector Education and Training Authority as 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

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

Emphasis of matter

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

Prior period errors

As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting authority for the financial statements

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

Responsibilities of the auditor-general for the audit of the financial statements

9. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 97-98, forms part of my auditor's report.

Report on the audit of the annual performance report

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
12. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected the programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2 - Skills planning and research	42-45	The purpose of programme 2 is to facilitate and manage the implementation of learning programmes for and within the public service sector. This programme includes special projects (including partnerships) and the monitoring, evaluation and reporting of learning interventions
Programme 3 - Learning programmes and projects	46-55	The purpose of programme 3 is to facilitate and manage the implementation of learning programmes for and within the public service sector. This programme includes special projects (including partnerships) and the monitoring, evaluation and reporting of learning interventions
Programme 4 - Quality assurance	55-57	The purpose of programme 4 is to build the provider capacity required to deliver the priority skills for the sector, developing standards, accrediting providers, and quality assuring learning. The Quality Assurance department undertakes the review and realignment of legacy qualifications and development of new occupational qualifications and capacitation of providers through advocacy workshops.

13. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
14. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets taken to improve performance.

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

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

Other matters

17.I draw attention to the matters below.

Achievement of planned targets

18.The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements. This information should be considered in the context of the material findings on the reported performance information.

19.The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

Programme 3: Learning programmes and projects

Targets achieved: 96%		
Budget spent: 48%		
Key indicators not achieved	Planned target	Reported achievement
Number of unemployed learners completing learning programmes {learnerships }	112	60

Report on compliance with legislation

20.In accordance with the PAA and the general notice issued in terms thereof, I must.audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

21.I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22.Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

23.I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

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

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
29. did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

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

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections, paragraphs or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1) Section 57(b) Section 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2 Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.2.1; 31.2.5; 31.2.7(a) Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c) Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4) Section 46(1)(a); 46(1)(b); 46(1)(c) Section 112(2)(a) Section 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
Second amendment National Treasury Instruction Note. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction Note. 5 of 2020/21	Paragraph 2
National Treasury Instruction Note 5 of 2020/21	Paragraph 4.8; 4.9 Paragraph 5.3
National Treasury Instruction Note 1 of 2021/22	Paragraph 4.1
National Treasury Instruction Note 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction Note 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction note 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction Note 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction Note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008-9	Paragraph 2.1 Paragraph 3.1 (b)
Practice Note 5 of 2009-10	Paragraph 3.3

Legislation	Sections, paragraphs or regulations
Practice Note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1 Section 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Index

	Page
Accounting Authority Responsibilities and Approval	103
Statement of Financial Position	104
Statement of Financial Performance	105
Statement of Changes in Net Assets	106
Cash Flow Statement	107
Statement of Comparison of Budget and Actual Amounts	108
Significant Accounting Policies	109 - 119
Notes to the Audited Annual Financial Statements	120 - 145

Abbreviations:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
CRR	Capital Replacement Reserve
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
PFMA	Public Finance Management Act
SA GAAP	South African Statements of Generally Accepted Accounting Practice
AG	Auditor-General
AA	Accounting Authority (the Board)
AGSA	Auditor-General South Africa
DG	Discretionary Grants
DHET	Department of Higher Education and Training
MHET	Minister of Higher Education and Training
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NT	National Treasury
PSETA	Public Service Sector Education Training Authority
QCTO	Quality Council for Trades and Occupations
SARS	South African Revenue Service
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Authority
TVET	Technical Vocational Education and Training
WIL	Work Integrated Learning
FY	Financial Year
SCM	Supply Chain Management

Accounting Authority Responsibilities and Approval

The Accounting Authority (AA) is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the AA to ensure that the audited annual financial statements fairly present the state of affairs of PSETA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

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

The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The AA acknowledge that they are ultimately responsible for the system of internal financial control established by the PSETA and place considerable importance on maintaining a strong control environment. To enable the AA to meet these responsibilities, the AA sets standards for internal control aimed at reducing the risk of error in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout PSETA and all employees are required to maintain the highest ethical standards in ensuring the PSETA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in PSETA is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, PSETA endeavours to minimise it by ensuring that appropriate infrastructure,

controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The AA is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements as well as receives the necessary assurance from the CEO and management team. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

Although the AA are primarily responsible for the financial affairs of PSETA, they are supported by the entity's management.

The external auditors are responsible for independently reviewing and reporting on the entity's audited annual financial statements. The audited annual financial statements have been examined by the external auditors.

The audited annual financial statements set out on pages 104 - 145, which have been prepared on the going concern basis by management and recommended by CEO, were approved by the AA on 30 May 2025 and were signed on its behalf by:

B Lerumo

Ms Bontle Lerumo

Accounting Authority and Chief Executive Officer

Statement of Financial Position as at 31 March 2025

	Note(s)	31 March 2025 R '000	31 March 2024 Restated* R '000
Assets			
Current Assets			
Inventories	4	120	-
Receivables From Exchange Transactions	3	1 742	1 879
Cash And Cash Equivalents	5	110 642	129 722
		112 504	131 601
Non-Current Assets			
Property Plant And Equipment	6	3 117	3 435
Intangible Assets	7	1 276	2 915
		4 393	6 350
Total Assets		116 897	137 951
Liabilities			
Current Liabilities			
Exchange Transactions			
Payables From Exchange Transactions	8	4 764	3 500
Provisions -exchange Transactions	11	3 258	3 089
Operating lease liability	13	466	1 150
Non-Exchange Transactions			
Payables from non-exchange transactions	9	19 594	18 544
Mandatory Grants Payable	10	49	43
Provisions - Non-exchange Transactions	12	192	190
Total Liabilities		28 323	26 516
Net Assets		88 574	111 435
Reserves			
Administration reserve		4 393	6 350
Discretionary grant reserve		84 181	105 085
Total Net Assets		88 574	111 435

Statement of Financial Performance for the period ended 31 March 2025

		31 March 2025	31 March 2024 Restated*
	Note(s)	R '000	R '000
Revenue			
Revenue from exchange transactions			
Other income	15.2	466	1 248
Investment Income	15.1	10 072	10 796
Total revenue from exchange transactions		10 538	12 044
Revenue from non-exchange transactions			
Transfer revenue			
Skills Development Levy: Income	14.1	4 731	5 045
Skills Development Levy: Penalties & Interests	14.2	89	123
Voted Funds received from National Treasury	14.3	126 449	121 461
Total revenue from non-exchange transactions		131 269	126 629
Total revenue		141 807	138 673
Expenditure			
General Administration Expenses	17.1	(33 575)	(25 801)
Audit Fees	17.2	(2 502)	(2 092)
Cost of Employment	17.3	(46 567)	(46 423)
Repairs and Maintenance	17.4	(1 288)	(988)
Depreciation and Amortisation	6&7	(2 590)	(4 093)
Mandatory grants and Discretionary Grants Expense	16	(78 112)	(74 944)
QCTO Expense		(34)	(31)
Total expenditure		(164 668)	(154 372)
Surplus (deficit) for the year		(22 861)	(15 699)

Statement of Changes in Net Assets

	Administrative reserve	Discretionary reserve	Mandatory	Total reserves	Accumulated surplus / deficit	Total net assets
	R '000	R '000	R '000	R '000	R '000	R '000
Balance at 01 April 2023	8 576	118 558	-	127 134	-	127 134
Changes in net assets						
Surplus (Deficit) for the period	-	-	-	-	(15 699)	(15 699)
Allocation of Unappropriated surplus for the year	-	(16 408)	709	(15 699)	15 699	-
Employer grant reserves transferred to discretionary reserves	-	709	(709)	-	-	-
Excess reserves transferred	(2 226)	2 226	-	-	-	-
Total changes	(2 226)	(13 473)	-	(15 699)	-	(15 699)
Restated* Balance at 01 April 2024	6 350	105 085	-	111 435	-	111 435
Changes in net assets						
Surplus (Deficit) for the period	-	-	-	-	(22 861)	(22 861)
Allocation of Unappropriated surplus for the year	-	(23 631)	770	(22 861)	22 861	-
Employer grant reserves transferred to discretionary reserves	-	770	(770)	-	-	-
Excess reserves transferred	(1 957)	1 957	-	-	-	-
Total changes	(1 957)	(20 904)	-	(22 861)	-	(22 861)
Balance at 31 March 2025	4 393	84 181	-	88 574	-	88 574
Note(s)	18	18				

Cash Flow Statement

		31 March 2025	31 March 2024 Restated*
	Note(s)	R '000	R '000
Cash flows from operating activities			
Receipts			
Levies, Interest, Penalties received		4 820	5 168
Other Cash receipts from stakeholder		466	1 248
Voted Funds received from National Treasury		126 449	121 461
Interest income		10 072	10 796
		141 807	138 673
Payments			
Compensation of Employees		(46 627)	(44 891)
Payments to Suppliers and Others		(36 215)	(28 751)
Mandatory and Discretionary Payments		(77 057)	(62 446)
		(159 899)	(136 088)
Net cash flows from operating activities	20	(18 092)	2 585
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(990)	(1 735)
Purchase of other intangible assets	7	-	(301)
Net cash flows from investing activities		(990)	(2 036)
Net increase/(decrease) in cash and cash equivalents		(19 080)	549
Cash and cash equivalents at the beginning of the year		129 722	129 173
Cash and cash equivalents at the end of the year	5	110 642	129 722

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	R '000
Statement of Financial Performance						
Revenue						
Other income	239	300	539	466	(73)	29.1
Investment Income	8 138	3 112	11 250	10 072	(1 178)	29.2
Voted funds received from DHET	126 449	-	126 449	126 449	-	29.10
Skills Development Levy: Income	4 760	564	5 324	4 731	(593)	29.11
Skills Development Levy: Interest & Penalties	134	142	276	89	(187)	29.11
Retention of Surplus	-	8 164	8 164	-	(8 164)	29.3
Total revenue	139 720	12 282	152 002	141 807	(10 195)	
Mandatory Grants and Discretionary Grants Expense						
Mandatory Grant	(1 017)	-	(1 017)	(413)	604	29.12
Discretionary Grant	(51 904)	(110 470)	(162 374)	(77 699)	84 675	29.4
Total Mandatory Grants and Discretionary Grants Expense	(52 921)	(110 470)	(163 391)	(78 112)	85 279	
Expenditure						
Cost of employment	(55 078)	8 502	(46 576)	(46 567)	9	29.5
Goods and Services	(30 327)	(7 239)	(37 566)	(39 988)	(2 422)	29.6
Total Operations Expenditure	(85 404)	1 263	(84 142)	(86 555)	(2 413)	
Net Surplus/(Deficit)	1 395	(96 925)	(95 531)	(22 860)	72 671	
Capex	(1 395)	-	(1 395)	(1 253)	142	29.7
Deficit after Capex	-	(96 925)	(96 925)	(24 113)	72 812	
Approved surplus	-	96 926	96 926	-	(96 926)	29.8
Net Surplus/ (Deficit) after Approved Surplus	-	-	-	(24 113)	(24 113)	29.9

Significant Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

1.1 Basis of preparation and Going concern assumption

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

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

These financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.2 Presentation currency and level of rounding

These financial statements are presented in South African Rand since it is the currency in which the majority of the entity transactions are denominated. Furthermore, all figures presented are rounded to the nearest thousand.

1.3 Revenue recognition

1.3.1 Revenue from non-exchange transactions

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Where the resources transferred to PSETA are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. The assets and the corresponding liability are measured at fair value on initial recognition. Subsequently, any interest that accrues from resources transferred to PSETA before the fulfilment of conditions are capitalised to the liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised.

The asset and the corresponding revenue are measured on the basis of fair value of the asset on initial recognition. Non-exchange revenue transactions include the receipt of levy income, and contributions received from public entities who contributes voluntarily to PSETA.

Significant Accounting Policies

1.3.1 Revenue from non-exchange transactions (continued)

Levy income

The PSETA recognises levy income on receipt. The accounting policy for the recognition and measurement of skill development levy income is based on the Skills Development Act (SDA), Act 97 of 1998, as amended, and the Skills Development levies Act (SDLA), Act 9 of 1999, as amended. In terms of section 3 (1) and 3 (4) of the SDLA (1999) as amended, registered member companies of the SETA pay a Skills Development Levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collect levies on behalf of the DHET. Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4 (b) of the SDLA (1999) as amended, effective 1 August 2005.

80% of Skills Development levies are paid over to the SETA (net of the 20% contribution to the NSF). Revenue is adjusted for transfers between the SETAs due to employers changing SETAs. Such adjustments are separately disclosed as inter-seta transfers. The amount of the inter-seta adjustment is calculated according to the most recent standard operating procedure issued by DHET. SDL transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably.

This occurs when the DHET makes an allocation to the PSETA as required by section 8 of the SDLA (1999) as amended.

Interest and Penalties

Interest and penalties received on the SDL are recognised on receipt since the nature of contribution is voluntary and not enforced through legislation.

Transfer from other government entities

The PSETA recognises revenue and a corresponding asset in respect of transfers received from transfers through the National Treasury when the transferred

resources meet the definition of revenue and an asset and satisfy the criteria for recognition as revenue and an asset.

1.3.2 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. Revenue is measured at the fair value of the considerations received or receivable. The only exchange revenue received by PSETA is the interest earned on the investment. Unconditional grants received are recognised when the amount have been received.

Investment income

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

1.4 Grants and project expenditure

In terms of the Grant Regulations, registered employers may recover 20% of levy payments (excluding interest and penalties) in the form of mandatory grants provided they timeously submit the documents prescribed in terms of grants regulations specified in the section dealing with monies received and related matters.

In addition registered employers that participate in training initiatives prescribed in the National Skills Development Plan (NSDP) effective 1 April 2020, as extended by the Department of Higher Education and Training can apply for and be granted discretionary grants to supplement their training costs.

Mandatory grants

Mandatory grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed format within the legislated cut-off period and the application has been approved as the payment then becomes probable. The grant is equivalent to 20% of the total levies paid by the employer during the corresponding financial period for the skills planning and annual training report grants.

Significant Accounting Policies

1.4 Grants and project expenditure (continued)

Retrospective amendments by SARS

The PSETA calculates and pays mandatory grants to employers based on the information from the Department of Higher Education and Training as obtained from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the PSETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayments, net of bad debts and provisions for irrecoverable amounts.

The receivable is measured at the net present value of the expected future cash inflow as determined in accordance with the PSETA policy on debtors' management and is based on the actual overpayments.

Discretionary grants and project expenditure

The PSETA may in terms of the Grant Regulations, out of funds set aside for discretionary and projects, investment income and any surplus monies from administration allocation and unclaimed mandatory grants, determine and allocate discretionary grants to employers, education and training providers and workers of the employers. The allocations of discretionary grants and projects are dependent on employers submitting the prescribed application, in the prescribed format and within the prescribed cut-off period. The discretionary grant and project expenditure payable and the related expenditure are recognised when the application has been approved and the conditions for grant payment, as set out in the PSETA grants policy have been met.

The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act and the grant regulations and is based on the amount of levies received, investment income and surplus monies from administration allocations and unclaimed mandatory grants

Project expenditure comprises:

- 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
- other costs as are specifically chargeable to the PSETA under the terms of the contract.

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

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements

Discretionary grants and project costs are recognised as expenses in the period in which they are incurred. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred.

1.5 Prepayments

The PSETA may, in certain instances in contracting with SMMEs and when required by the terms of the contract of a services provider, make advance payments.

1.6 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Significant Accounting Policies

1.6 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting authority may condone and disclose as such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the AA may remove the expenditure from the irregular expenditure register.

Irregular expenditure comprises of expenditure, other than unauthorized expenditure, incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including:

- the PFMA,
- the State tender Board Act, 1968; or any provincial legislation providing for the procurement procedures in that provincial government
- The Skills Development Act,
- The Skills Development Levies Act
- Irregular Expenditure Framework
- PSETA's SCM Policy (only upon contravention of legislative prescripts is Irregular expenditure recognised against the respective class of expense in the period in which it was incurred. These are then recorded in the irregular expenditure register.)

1.7 Fruitless and wasteful expenditure

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

All fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the period it was incurred. The expenditure is disclosed in the notes to the financial statements of the reporting period that it has been identified.

1.8 Property, Plant and Equipment

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

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

Property, plant and equipment is initially measured at cost which comprises of the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment acquired at no cost is measured at fair value at the date of acquisition less any subsequent accumulated depreciation and any impairment loss.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Significant Accounting Policies

1.8 Property, Plant and Equipment (continued)

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	6 Years
Motor vehicles	Straight-line	5 Years
Computer software	Straight-line	3 Years
Leasehold improvements	Straight-line	Over the lease period

PSETA assesses at each reporting date whether there is any indication about the residual value and the expected useful life of an asset have changed since the preceding reporting date. If any such indication exists, the PSETA revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.9 Significant accounting judgements

In the application of PSETA's accounting policies management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The financial effects of the reviews to accounting estimates are recognised in the period in which the estimates are reviewed if the revision affects only that period or in the period of the

review and future periods if the review affects both current and future periods.

The PSETA reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period, refer to note number 6.

1.10 Intangible Assets

An intangible asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the PSETA or from other rights and obligations.

An intangible asset is recognised when:

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

PSETA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Significant Accounting Policies

1.10 Intangible Assets (continued)

Intangible assets are initially recognised at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost shall be its fair value at the date of acquisition.

Intangible assets are carried at cost less accumulated amortisation and impairment losses.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets with indefinite useful lives, if any, are not amortised but tested for impairment annually and impaired if necessary.

Intangible assets are amortised on the straight line basis over their expected useful lives to their estimated residual value.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the

asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

The PSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 7).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

An average useful life of 2 years (or the lifespan of the intangible asset) is used when calculating the amortisation of intangible assets.

Significant Accounting Policies

1.11 Leasing Operating leases

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset, title may not eventually be transferred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Operating lease payments under operating lease are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the PSETA's benefit.

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

1.12 Provisions and contingencies

Provisions are recognised when:

- PSETA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will

be received if the PSETA settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

A provision is used only for expenditures for which the provision was originally recognised.

Contingent Assets

Contingent Assets arise when the PSETA has a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PSETA.

Disclosed amounts in respect of contingent assets are measured on the basis of the best estimate, using experience of similar transactions or reports from independent experts

Contingent Liabilities

Contingent Liabilities arise when the PSETA has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PSETA.

Disclosed amounts in respect of contingent liabilities are measured on the basis of the best estimate, using experience of similar transactions or reports from independent experts

Other provisions

Provisions included in the Statement of Financial Position are provisions for performance awards and provision for exempt companies. Provisions for performance awards are based on estimated performance levels and salary rates prevalent at the reporting date.

PSETA recognises a provision for the repayment of levies contributed by companies exempted from contributing skills development levy but continue to do so.

Significant Accounting Policies

1.13 Employee benefits

Identification Employee benefits

The cost of other employee benefits (not recognised as retirement benefits) is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. An accrual is raised for the estimated liability as a result of services rendered by employees up to the reporting date.

Liabilities for annual leave are recognised as they accrue to employees. The entity recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual.

PSETA provides for retirement benefits for some of its permanent employees through a defined contribution scheme to SANLAM.

1.14 Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the SETA's Statement of Financial Position when the SETA becomes a party to the contractual provisions of the instrument.

1.14.1 Financial assets

1.14.1.1 Investments and loans

The following categories of investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity, or at cost if there is no fixed maturity:

- Loans and receivables
- Held-to-maturity investments;
- An investment that does not have a quoted market price in an active market and whose fair value cannot be measured reliably.

1.14.1.1 Investments and loans (continued)

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

Investments other than those listed above are classified as available-for-sale investments or investments held-for-trading and are measured at subsequent reporting dates at fair value, without any deduction for transaction costs that may be incurred on sale or other disposal.

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

All financial assets of the PSETA are categorised as loans and receivables.

1.14.1.2 Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less any impairment. Interest income is recognized by applying the effective interest rate, except for short term receivables where the recognition of interest would be immaterial.

1.14.1.3 Effective interest rate method

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

Significant Accounting Policies

1.14.1.4 Impairment and un-collectability of financial assets

PSETA assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Cash and cash equivalents are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

1.14.2 Financial liabilities

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

1.14.2.1 Financial liabilities at FVTPL

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

1.14.2.2 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments, other than available-for-sale financial assets, are included in net profit or loss in the period in which it arises. Gains and losses arising from a change in the fair value of available-for-sale financial assets are recognised in equity, until the investment is disposed of or is determined to be impaired, at which time the net profit or loss is included in the net profit or loss for the period.

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

1.14.2.3 Other financial liabilities

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

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

De-recognition:

PSETA derecognises financial liabilities using trade date accounting.

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived

Significant Accounting Policies

1.15 Reserves

The insurance fund is accounted for at net of cost, and any liability thereto, and adjustments are made only where there are valid claims to the fund.

Reserves are sub-classified in the statement of changes in net assets between the following:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Accumulated surplus/deficit

Employer levy payments are set aside in terms of the SDA (1998) and the SETA Grant Regulations for the purpose of:

- Administration costs of the SETA 10.5%
- Employer grant fund levy 20.0%
- Discretionary grants and projects 49.5%
- Contributions to the National Skills Fund 20.0%

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects. Other income received are utilised in accordance with the original source in terms of the above classifications, that is where income is associated with administration activities it is utilised for administration purposes, whereas where it is associated with project activities it is utilised for discretionary grants and projects purposes.

The items of revenue and expenditure are recognised on the accrual basis of accounting in the financial statements. Consequently, the reserves disclosed in the Statement of Changes in Net Assets and movements disclosed in note 2 do not represent cash reserves or fund monies as implied in Grants Regulations issued by the Department of Higher Education and Training in terms of the Skills Development Act, Act No. 97 of 1998 as amended.

1.15 Reserves(continued)

Administration reserve represents the net book value of property, plant and equipment and other commitments of an administration nature arising from signed contracts as specifically approved by the PSETA board from time to time.

Employer grant reserve represents possible mandatory grants claims from newly registered employers that are eligible to submit their mandatory grants claims at year end in terms of the grants regulations.

Discretionary reserve represents the excess of discretionary grants revenue over discretionary and projects expenditure and includes transfers from administration and mandatory grant reserve where appropriate.

1.16 Administrative expenditure

Administrative expenditure including inter alia Audit fees have been presented in accordance with the standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. PSETA's administrative expenditure has been paid using voted funds received from National Treasury.

1.17 Tax

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

1.18 INVENTORIES

Inventory consists of consumables on hand at the end of the reporting period and is recognised as assets on the date of acquisition. Inventory is stated at cost and it is determined on a first-in first-out basis. It is subsequently recognised in surplus or deficit as it is consumed.

Significant Accounting Policies

1.19 Capital Commitments

Capital commitments are disclosed in respect of contracted amounts for which delivery by the contractor is outstanding at year end, and for amounts which the Board's approval has been obtained but not yet contracted for.

1.20 Events after reporting date

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

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

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

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

1.21 Comparative figures

Where necessary, comparative figures have been restated, adjusted or reclassified to achieve fair presentation and to conform to changes in presentation that arise due to changes in accounting policies, errors, reporting standards and legislation.

1.22 Related parties

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Transactions are disclosed as other related party transactions where the SETA has in the normal course of its operations, entered into certain transactions with entities either related to the Department of Higher Education and Training or which had a nominated representative serving on the SETA accounting authority.

Transactions are disclosed as other related party transactions where Inter-seta transactions arise due to the movement of employers from one SETA to another.

Notes to the Audited Annual Financial Statements

2. CURRENT STANDARDS AND INTERPRETATIONS

Standards and interpretations effective in the current year

The effective date of these standards are 1 April 2019. These include the following Standards and Interpretations that are applicable to the SETA and have been assessed to have no material impact on the financial statements:

GRAP 20: Related Party disclosures

This standard prescribes the disclosure of information relevant to draw attention to the possibility that an entity's financial statements contain the disclosure necessary to draw attention to the possibility that its financial position and surplus or deficit

may have been impacted by the existence of connected parties and by transactions and outstanding balances with such parties.

GRAP 32: Service Concession Arrangements: Grantor

The purpose is to prescribe the accounting for service concession arrangements by the Grantor. It is unlikely that the standard

will have a material impact on PSETA's annual financial statements. GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, de-recognition, measurement, presentation

and disclosure, transitional provisions, as well as the effective date. It is unlikely that the standard will have a material impact

on PSETA's annual financial statements.

GRAP 109: Accounting by Principals and Agents

GRAP 109 outlines principles to assess whether an entity is party to a principal-agent arrangement. It is unlikely that the standard will have a material impact on PSETA's annual financial statements.

GRAP 17: Service concession arrangements: where a Grantor controls a significant residual interest in an asset

The purpose is to prescribe the accounting for service concession arrangements by the Grantor. It is unlikely that the standard will have a material impact on PSETA's annual financial statements.

Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

GRAP 104 (amended): Financial Instruments

It is unlikely that the standard will have a material impact on PSETA's annual financial statements.

Notes to the Audited Annual Financial Statements

	31 March 2025 R '000	31 March 2024 Restated* R '000
3. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Trade debtors	-	18
Travel Advances	4	-
Deposits	1 042	1 042
Prepaid expenses	634	592
Accrued Income	62	227
	1 742	1 879
4. INVENTORIES		
Consumables	120	-
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	6 499	24 095
Investment with SARB	104 143	105 627
	110 642	129 722

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

6. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2 362	(1 152)	1 210	2 452	(1 060)	1 392
Motor vehicles	247	(234)	13	482	(433)	49
Office equipment	171	(142)	29	156	(134)	22
Computer Equipment	6 728	(4 863)	1 865	6 139	(4 167)	1 972
Total	9 508	(6 391)	3 117	9 229	(5 794)	3 435

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and Fittings	1 392	111	(55)	(238)	1 210
Motor Vehicles	49	-	(24)	(12)	13
Office Equipment	22	16	-	(9)	29
Computer Equipment	1 972	863	(66)	(904)	1 865
	3 435	990	(145)	(1 163)	3 117

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and Fittings	582	988	(10)	(168)	1 392
Motor Vehicles	73	-	-	(24)	49
Office Equipment	32	-	-	(10)	22
Computer Equipment	2 329	747	(159)	(945)	1 972
	3 016	1 735	(169)	(1 147)	3 435

Repairs and maintenance disclosed in relation to property, plant and equipment has been disclosed in Administrative Expenses note 16.4 in line with the requirements of GRAP 17.

The PSETA has reviewed the residual values at year end and did not need to re-estimate it.

Change in Accounting Estimate

The useful lives of some items of property, plant and equipment were reviewed and restated to reflect the actual pattern of service potential derived from the assets. They were revised as follows :

Computer Equipment: revised to 36 months

Motor Vehicles: revised to 12 months and 36 months Office Equipment: revised to 36 months. Furniture and Fittings: revised to 72 months.

Office Equipment: revised to 36 months.

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

6. PROPERTY, PLANT AND EQUIPMENT (continued)

The change in useful life has resulted in the following:

Item of Property, plant and equipment

	Decrease (Increase) in depreciation current year	Decrease (Increase) in depreciation future years
Computer Equipment	311 043	311 043
Motor Vehicles	3 231	3 231
Office Equipment	3 598	3 598
Furniture and Fittings	44 200	44 200
	362 072	362 072

7. INTANGIBLE ASSETS

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Total	12 064	(10 788)	1 276	17 436	(14 521)	2 915

Reconciliation of intangible assets - 2025

	Opening balance	Disposals	Amortisation	Total
Computer Software and Licences	2 915	(212)	(1 427)	1 276

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer Software and Licences	5 560	301	(2 946)	2 915

The PSETA has reviewed the residual values and useful lives of all the items of intangible assets.

Change in accounting estimate

The useful lives of some intangible assets have been revised to reflect the actual pattern of service potential derived from the assets. They were revised to 24 months.

The change in useful life has resulted in a decrease in amortisation of R 1 275 774 for the current period and an decrease in amortisation of R 1 275 774 in future periods

Notes to the Audited Annual Financial Statements

	31 March 2025	31 March 2024 Restated*
	R '000	R '000
8. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables	422	197
Provident Fund Payables - SANLAM	-	109
Admin Trade Accruals	2 550	1 281
Leave Pay Accrual	1 792	1 913
	4 764	3 500

9. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Discretionary Grant Accruals	17 912	18 214
Discretionary Grant Payables	1 682	330
	19 594	18 544

10. MANDATORY GRANTS PAYABLE

Skills development grants payable - mandatory grants	49	43
	49	43

Restated Refer to note 30

11. PROVISIONS - EXCHANGE TRANSACTIONS

Reconciliation of provisions - exchange transactions - 2025

	Opening Balance	Additions	Utilised during the year	Total
Workman's Compensation	262	87	(262)	87
Performance Bonus	2 827	3 171	(2 827)	3 171
	3 089	3 258	(3 089)	3 258

Reconciliation of provisions - exchange transactions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Workman's Compensation	85	262	(85)	262
Performance Bonus	1 347	2 827	(1 347)	2 827
	1 432	3 089	(1 432)	3 089

The finalisation of the performance bonus process for the 2023/24 financial year was completed and paid in August 2024.

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

12. PROVISIONS - NON-EXCHANGE TRANSACTIONS

Reconciliation of provisions - exchange transactions - 2025

	Opening Balance	Additions	Total
Provision for Exempt Employer (<R500K)	190	2	192
	Opening Balance	Utilised during the year	Total

Reconciliation of provisions - exchange transactions - 2024

Provision for Exempt Employer (<R500K)	198	(8)	190
Non-exchange provisions			

The provision for SARS reversals is based on employers contributing levies even though they are exempt in terms of the Skills Development Act. The Act requires employers with an annual payroll of at least R500 000,00 to contribute 1% of the payroll to SARS in the form of skills development levies. The employer contributions are only retained in the provision for a period of 5 years thereafter recognized as levy income.

13. OPERATING LEASE LIABILITY

Operating Lease Liability	466	1 150
---------------------------	-----	-------

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS

14.1. Skills Development Levy Income

Administration

Levies received from SARS	621	661
R500K Provision	-	1
	621	662

Mandatory Grants

Levies received from SARS	1 183	1 259
R500K Provision	-	2
	1 183	1 261

Discretionary grants

Levies received from SARS	2 928	3 117
R500K Provision	(1)	5
	2 927	3 122
Total	4 731	5 045

Notes to the Audited Annual Financial Statements

	31 March 2025	31 March 2024 Restated*
	R '000	R '000
14.2. Skills development Levy income: Interest and penalties		
Skills Development Levy Income:		
Penalties	46	71
Interest	43	52
	89	123

14.3. Voted funds received

(2025)		
First tranche	31 612	30 490
Second tranche	31 612	30 490
Third tranche	31 612	30 490
Fourth tranche	31 613	29 991
	126 449	121 461

15. REVENUE FROM EXCHANGE TRANSACTIONS

15.1. Investment income

Interest received in the bank accounts	10 072	10 796
----------------------------------------	--------	--------

15.2. Other income

Mandatory Grant Received	83	77
Refunds received	19	1 042
Sale of scrap assets	4	-
Insurance recoveries	360	129
	466	1 248

16. MANDATORY GRANTS AND DISCRETIONARY GRANTS EXPENSE

Mandatory grants	413	552
Discretionary grants	77 699	74 392
	78 112	74 944

Notes to the Audited Annual Financial Statements

17. ADMINISTRATION EXPENSES

17.1. General Administration Expenses

	31 March 2025 R '000	31 March 2024 Restated* R '000
Loss on disposal of property, plant and equipment	356	169
* Operating lease rentals	6 674	6 674
Advertising, Marketing and Promotions	1 752	1 365
Bank charges	36	31
Catering and refreshments	857	375
Consulting and professional fees	11 074	6 645
Legal Fees	395	457
Travel & Subsistence	2 688	3 293
Training	1 384	351
Governance Fees	2 432	1 823
Printing and Stationery	268	61
Insurance	122	225
Rates and taxes, water & lights and security	2 022	1 790
Staff Recruitment	21	135
Storage Costs	170	261
Sundry Expense	699	492
Licences	2 347	1 473
Cleaning	16	6
Conferences and seminars	121	-
Equipment rentals	141	175
	33 575	25 801

Consultancy and Professional fees consist of payments made to the service provider in relation to support and maintenance for the ERP, Payroll systems, outsourced internal Audit function and temporary employees.

*Restated - Refer to note 30

17.2. Audit Fees

Audit fees (External)	2 502	2 092
-----------------------	-------	-------

Notes to the Audited Annual Financial Statements

	31 March 2025	31 March 2024 Restated*
	R '000	R '000
17.3. Cost of Employment		
Basic	27 157	27 488
Bonus	3 428	3 625
Medical Aid	628	501
PAYE	13 067	12 394
Leave Accrual	(121)	(135)
Provident Fund (defined contribution Plan)	1 154	1 132
Housing Allowance	471	465
Workman's Compensation	87	269
Union Fee	42	46
Total	45 913	45 785
SDL	458	432
UIF	196	206
	46 567	46 423

*PSETA provides for retirement benefits for permanent employees through a defined contribution scheme to the Sanlam fund.

17.4. Repairs and Maintenance

Maintenance of Buildings and Facilities	809	362
Maintenance of Computer Equipment	416	536
Maintenance of Motor Vehicles	63	90
	1 288	988

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

18. ALLOCATION OF NET SURPLUS/(DEFICIT) FOR THE YEAR TO RESERVES

Allocation of net surplus or deficit

31 March 2025

	Administration	Mandatory	Discretionary	Total per Statement of Financial Performance
Total Revenue				
Admin levy income (10.5%)	621	-	-	621
Grant levy income (20%)	-	1 183	-	1 183
Mandatory				
Grant levy income (49.5%)	-	-	2 927	2 927
Discretionary				
Skills developemnt levy: penalties and interest	-	-	89	89
Voted Funds received	75 397	-	51 052	126 449
Investment Income	10 072	-	-	10 072
Other Income	466	-	-	466
	86 556	1 183	54 068	141 807
Total Expenses				
Administration expenses	(86 522)	-	-	(86 522)
QCTO Expense	(34)	-	-	(34)
Mandatory grants and discretionary grants expense	-	(413)	(77 699)	(78 112)
	(86 556)	(413)	(77 699)	(164 668)
Net surplus/(deficit per Statement of financial performance allocated	-	770	(23 631)	(22 861)

31 March 2024

	Administration	Mandatory	Discretionary	Total per Statement of Financial Performance
Total Revenue				
Admin levy income (10.5%)	662	-	-	662
Grant levy income (20%) Mandatory	-	1 261	-	1 261
Grant levy income (49.5%)	-	-	3 122	3 122
Skills developemnt levy: penalties and interest	-	-	123	123
Voted Funds received	66 722	-	54 739	121 461
Investment Income	10 796	-	-	10 796
Other Income	1 248	-	-	1 248
	79 428	1 261	57 984	138 673

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

18. ALLOCATION OF NET SURPLUS/(DEFICIT) FOR THE YEAR TO RESERVES (continued)

	Administration	Mandatory	Discretionary	Total per Statement of Financial Performance
Total Expenses				
Administration expenses	(79 397)	-	-	(79 397)
QCTO Expense	(31)	-	-	(31)
Mandatory grants and discretionary grants expense	-	(552)	(74 392)	(74 944)
	(79 428)	(552)	(74 392)	(154 372)
Net surplus/(deficit per Statement of financial performance allocated	-	(709)	(16 408)	(15 699)

19. NEW STANDARDS AND INTERPRETATIONS

19.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 Mergers	01 April 2025	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	01 April 2025	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2025	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 2020: Improvements to the Standards of GRAP 2020 01 April 2025	01 April 2025	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2025	Unlikely there will be a material impact

Notes to the Audited Annual Financial Statements

	31 March 2025	31 March 2024 Restated*
	R '000	R '000
20. CASH GENERATED FROM OPERATIONS		
Deficit	(22 861)	(15 699)
Adjustments for:		
Depreciation and amortisation	2 590	4 093
Movements in operating lease liability	(684)	(202)
Movements in provisions	169	1 649
Changes in working capital:		
INVENTORIES	(120)	-
Movement Trade And Other Receivables From Exchange Transactions	137	(125)
Movement In Trade And Other Payables - Exchange Transactions	1 264	-
Movement in Trade and other payables (non-exchange)	1 050	13 690
Movement in Mandatory Grant payables	6	(990)
Loss on Disposal of PPE	357	169
	(18 092)	2 585

Restated Refer to note 30

21. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Theft/losses	308	307
Less: Recoverable	(259)	(129)
Less: Not recoverable and written-off	(49)	(178)
Closing balance	-	-

During the year under review, PSETA experienced theft of two computer equipments amounting to R73,034.20 respectively, and a loss of motor vehicle through a car accident amounting to R235,191.12. R258,845.54 was recovered through insurance payout, and the balance of R49,379.78 was written-off.

22. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular, Fruitless and Wasteful Expenditure	-	-
-----------------------------------------------	---	---

There were no irregular, fruitless and wasteful expenditure reported during the year under review.

Notes to the Audited Annual Financial Statements

**31 March
2025**
R '000
**31 March
2024**
Restated*
R '000

23. RELATED PARTIES

Relationships

Controlling entity

The SETA's controlling entity is DHET

Entities under common control

By virtue of the fact that PSETA is a National Public Entity controlled by DHET, it is considered related to other SETAs, the QCTO, TVET Colleges, Universities and the NSF. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such. Where there were transactions and balances arising due to the movement of funds between entities under common control of the DHET, these amounts are disclosed below:

Transactions with employer companies represented at the PSETA board

Employer representatives of the PSETA Board do not receive allowances for attending Board Meetings except for Ministerial appointees and labour representatives who receive board attendance fees as determined by the Minister of Higher Education, Science, and Innovation. Members may claim travel expenses incurred as a result of attendance of PSETA meetings.

Accounting Authority Members

Name	2025		Total
	Meeting Fee	Travel Expense	
Thulani Tshefuta (AA Chairperson)	180	88	268
Christelene Brink	155	1	156
Lewis Nzimande	155	-	155
Nkonjane N Maesela	162	11	173
Patrick B Makhafane	186	11	197
Marcus A Ramakgale	47	-	47
Moeketsi Napo	219	4	223
Ncedisa Mahala	125	1	126
Noah Bodiba	101	-	101
Othusitse Dingake	99	13	112
	1 429	129	1 558

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

23. RELATED PARTIES (continued)

2024			
Name	Meeting Fee	Travel Expense	Total
Thulani Tshefuta (AA Chairperson)	174	20	194
Christelene Brink	163	-	163
Lewis Nzimande	172	-	172
Nkonjane N Maesela	154	-	154
Patrick B Makhafane	145	9	154
Marcus A Ramakgale	231	-	231
Moeketsi Napo	112	7	119
Patrick B Moopelwa	-	5	5
	1 151	41	1 192

Independent Committee Members

2025			
Name	Meeting fee	Total	
Prittish Dala (Independent chairperson)	144	144	
Sandile L Ndaba (Independent chairperson)	121	121	
Zanele L Francois (Independent chairperson)	141	141	
Zenzele Myeza	61	61	
	467	467	

2024			
Name	Meeting Fee	Total	
Prittish Dala (Independent chairperson)	173	173	
Sandile L Ndaba (Independent chairperson)	126	126	
Zanele L Francois (Independent chairperson)	147	147	
Zenzele Myeza	64	64	
	510	510	

Notes to the Audited Annual Financial Statements

**31 March
2025**
R '000
**31 March
2024**
Restated*
R '000

23. RELATED PARTIES (continued)

Management Class: Executive Management

Name	2025 Basic salaries	Bonuses and performance related payments	Other short- term employee benefits	Total
Ms. B. Lerumo (Chief Executive Officer)	2 454	270	26	2 750
Mr P Mbulaheni (Chief Financial Officer)	1 541	184	263	1 988
Ms S Nagalingam-Potter (Chief Operating Officer)	1 745	201	106	2 052
Adv Siphokazi Moleshe (Corporate Services Executive)	1 464	-	201	1 665
Ms V Selauli (Chief Audit Executive)	1 390	-	136	1 526
	8 594	655	732	9 981

1. Other allowances include travel, cellphone, data, acting allowance and leave gratuity payout.
2. Adv S Moleshe has been appointed as CSE from April 2024

Name	2024 Basic salaries	Bonuses and performance related payments	Other short- term employee benefits	Total
Ms. B. Lerumo (Chief Executive Officer)	2 278	289	25	2 592
Mr P Mbulaheni (Chief Financial Officer)	1 306	167	396	1 869
Ms S Nagalingam-Potter (Chief Operating Officer)	1 618	213	99	1 930
Mr N Nkuna	803	69	562	1 434
Ms V Selauli (Chief Audit Executive)	54	-	1	55
	6 059	738	1 083	7 880

1. Other allowances include travel, cellphone, data, acting allowances and leave gratuity payout"
2. Mr P Mbulaheni, the current Finance Manager, acted as CFO until 31 July 2023.
3. Mr N Nkuna, the current senior Internal Auditor, acted as CAE until 17 March 2024.
4. Ms V Selauli has been appointed as CAE from 18 March 2024

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

23. RELATED PARTIES (continued)

Transactions with TVET Colleges and Universities

Name	2025 Interventions	Remaining Commitments	Total
Lovedale TVET College	Workplace Integrated Learning	3 872	3 872
Letaba TVET College	Workplace Integrated Learning	3 872	3 872
Capricon TVET College	Workplace Integrated Learning	880	880
Vhembe TVET College	Workplace Integrated Learning	878	878
Waterberg TVET College	Workplace Integrated Learning	883	883
Lephalale TVET College	Workplace Integrated Learning	1 082	1 082
University of Mpumalanga	Bursary	2 000	2 000
University of Limpopo	Bursary	208	208
University of North West	Bursary	2 400	2 400
Walter Sisulu University (WSU)	Bursary	1 050	1 050
University of Venda	Bursary	750	750
Stellenbosch University	Research	1 550	1 550
University of Johannesburg	Research	3 000	3 000
University of Pretoria	Research	885	885
University of Free State	Qualifications	902	902
University of Pretoria	Development Facilitator Qualifications	2 906	2 906
University of Pretoria	Development Facilitator Internship	1 112	1 112
University of North West	Internship	3 464	3 464
University of Witwatersrand	Internship	438	438
University of North West	Qualifications	640	640
Tshwane University of Technology	Development Facilitator Internship	490	490
		33 262	33 262

Notes to the Audited Annual Financial Statements

		31 March 2025	31 March 2024 Restated*
		R '000	R '000
23. RELATED PARTIES (continued)			
Name	Interventions	2024	Total
		Remaining Commitments	
Vuselela Tvet College	Workplace Integrated Learning	1 046	1 046
University of North West	Bursary	4 800	4 800
Majuba TVET College	Artisan	768	768
Northern Cape Rural TVET Colege	Workplace Integrated Learning	1 046	1 046
Mthashana TVET College	Workplace Integrated Learning	1 108	1 108
University of Pretoria (PSSP)	Research	269	269
University of Pretoria (RPL)	Research	209	209
University of Mpumalanga	Bursary	4 000	4 000
University of Western Cape	Bursary	800	800
University of Pretoria	Bursary	800	800
University of Free State	Bursary	3 040	3 040
Flavius Mareka TVET	Workplace Integrated Learning	1 098	1 098
Ikhala TVET College	Workplace Integrated Learning	1 046	1 046
Esayidi TVET College	Workplace Integrated Learning	1 046	1 046
University of Limpopo	Bursary	562	562
Tshwane University of Technology	Internship	972	972
Stellenbosch Universtity	Research	601	601
University of Pretoria	Internship	4 446	4 446
University of North West	Internship	4 891	4 891
University of Pretoria	Qualifications Development Facilitator	621	621
		33 169	33 169

The related parties note has been adjusted to show PSETA's commitments with TVET Colleges and Universities.

* Restated - Refer to note 30.

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

23. RELATED PARTIES (continued)

Transactions with other national public entities and state institutions

2025 Name	Amounts Received	Total
Voted funds	126 449	126 449
2024 Name	Amounts Received	Total
Voted funds	121 461	121 461

Notes to the Audited Annual Financial Statements

24. COMMITMENTS

Operating Leases Commitments

Minimum lease payments due

	31 March 2025	31 March 2024 Restated*
	R '000	R '000
- within one year	3 980	7 534
- in second to fifth year inclusive	176	4 126
	4 156	11 660

The operating lease relates to the rental of building and parking of Ground and 1st floor of Woodpecker Office Block, 179 Lunnun Road, Hillcrest, Pretoria used for office accommodation and Rental of office printers.

The office lease agreement entered into effective 1 October 2020 for a period of 5 years, expiring on the 30 September 2025. PSETA entered into a new contract for printers lease for a period of 36 months starting from 19 February 2024

Discretionary Grant Commitments	Adjusted opening balance 01 April 2024	Expenditure Incurred	Writebacks	Adjustments	New Contracts	Closing balance 31 March 2025
Artisan	768	(248)	(520)	-	-	-
Bursary	19 386	(11 955)	(228)	(91)	5 280	12 392
Internship	36 351	(17 593)	(2 128)	(31)	11 099	27 698
Qualifications Development	2 354	(1 658)	(709)	-	4 608	4 595
Learnership	17 609	(9 974)	(239)	(108)	6 973	14 261
Recognition of Prior Learning	2 240	(5 179)	(141)	-	4 400	1 320
Cooperative Development Programme	-	-	-	-	4 980	4 980
Continuos Professional Development Training Programme	-	-	-	-	1 400	1 400
Research	3 423	(4 330)	-	-	6 791	5 884
Skills Programme	9 014	(7 304)	(5 616)	(19)	4 225	300
Workplace Intergrated Learning	6 391	(19 458)	(502)	-	25 035	11 466
	97 536	(77 699)	(10 083)	(249)	74 791	84 296

The opening commitments balance was understated due to a prior period error, see note 30.

See note 29.8 for Approved surplus.

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

25. CONTINGENCIES

25.1 Retention of Cash surplus

In terms of section 53 (3) of the PFMA, public entities listed in schedule 3A and 3 C to the PFMA may not retain cash surplus that were realized in the previous financial year without obtaining the prior written approval of DHET. During September 2021, National treasury Issued Instruction No. 12 of 2020/21 which gave more detail to the surplus definition. According to this instruction, a surplus is based on the formula used below:

As of the 31 March 2025 the cash surplus was calculated as follows:

Cash and cash equivalents	110 642	129 722
Receivables from exchange transactions	1 742	1 879
Current liabilities	(28 323)	(26 516)
	84 061	105 085

Notwithstanding the surplus calculated above, PSETA has commitments at year end through contracts with several service providers, some of which have been disclosed in note 24 above. Reflected below is the accumulated surplus after taking into account the impact of PSETA's year end commitments.

Committed amounts at 31 March 2025

Surplus calculated above	84 061	105 085
Commitments	(84 296)	(97 535)
	(235)	7 550

The submission regarding the request to retain the cash surplus will be made to the National Treasury for the 2024/25 financial year upon completion of the audit by the Auditor General.

25.2 Other contingent liabilities

Acting Allowance claim

A Specialist acted as a Manager from 09 March 2018 to 03 March 2019 without being compensated an acting allowance because the position was not vacant as per PSETA policies. The Specialist is claiming an amount of R202 080.39 acting allowance for the period 08 February 2018 up to 03 March 2019.

Mandatory Grants

In October 2019, an association of private entities won a court case against DHET where the department's decision to decrease the mandatory grant levies and grants percentage was decreased from 50% to 20% in terms of section 4(4) of the Seta grant regulations was set aside. The court did not decide on the mandatory levy or grant percentage to be applied from the court date onwards. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory grant percentage. DHET continued to show the mandatory levies portion as 20% in 2019/20 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in the 2019/20 financial year in the absence of a revised percentage which is aligned to the approved annual performance plan.

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

25.2 Other contingent liabilities (continued)

The mandatory grant expenditure as well as the mandatory grant liability were calculated using mandatory grant percentage of 20%. The SETA therefore discloses a contingent liability in regard to the amount of the mandatory grants payable to qualifying levy payers from the date of the court decision to the year end. This is disclosed as a liability as the intention of the litigants was to increase the mandatory grant percentage from 20%. The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at this point. PSETA has assessed the potential impact of a significant change to the percentage of Mandatory levies and considered this impact to not be material. Currently the department is in discussions with the entity in regard to the mandatory grant percentage.

The total known potential contingent liabilities is R202,080.39

25.3 Other contingent assets

Service provider dispute

During the 2017/18 financial year, PSETA awarded a discretionary grant to a service provider. The Apprenticeship Programme was meant to endure up to 31 May 2022. The total amount of the grant that was to be awarded for the successful implementation of the Apprenticeship Programme was R6 000 000.00 (six million Rand). To date, PSETA has made 3 tranche payments to the skills development provider, amounting to approximately R4, 200, 000.00 (four million, two hundred thousand Rand). During the implementation of the Apprenticeship Programme, the skills development provider, committed several breaches of contract. PSETA sent written notice to the skills development provider, in order to enable it to remedy its breach. The skills development provider has not remedied the breach. PSETA believes that it has now exhausted all contractual remedies in its effort to give Protech Training an opportunity to remedy its breach of contract. We are now proceeding with issuing legal processes in this matter.

The known potential contingency assets amount to R4,200,000.00

Notes to the Audited Annual Financial Statements

**31 March
2025**

R '000

**31 March
2024**

Restated*

R '000

26. FINANCIAL INSTRUMENTS DISCLOSURE

In the course of its operations, the PSETA is exposed to interest rate, credit, liquidity and business risk. The PSETA has developed a comprehensive risk strategy in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below

	Floating rate	Fixed interest rate	Non-Interest bearing		
31 March 2025					
Financial assets					
	Amount	Effective Interest rate	Amount	Weighted average period for which the rate is fixed in years	Total
Cash	110 642	7.75%	-		110 642
Accounts Receivables	-	-	1 742	1 year	1 742
	110 642		1 743		112 384
Financial liabilities					
Accounts Payable	-	-	4 764	1 year	4 764
31 March 2024					
Financial assets					
Cash	129 722	5,7%	-		129 722
Accounts Receivable	-	-	1 879	1 year	1 879
	129 722	-	1 880		131 601
Financial liabilities					
Accounts Payable	-		26 511	1 year	26 511

	31 March 2025		31 March 2024	
Cash and Cash Equivalents	Gross	Impairment	Gross	Impairment
Not past due	110 642	-	129 722	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 1 year	-	-	-	-

Cash and cash equivalents comprise cash held by the PSETA and short term bank deposits with an original maturity of less than 1 month. The carrying amount of these assets approximates their fair value.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short- term maturity of these financial assets.

Notes to the Audited Annual Financial Statements

	31 March 2025	31 March 2024 Restated*
	R '000	R '000
Accounts payable		
The carrying amount of accounts payable approximates fair value due to the relatively short-term maturity of these financial liabilities.		
Fair values		
The PSETA's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, and accounts and other payables. No financial instruments were carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.		
Investments		
The fair value of debt securities is determined using the discounted cash flow method (where applicable). The fair value of publicly traded investments is based on quoted market prices for those investments.		
Borrowings		
The fair value of interest-bearing borrowings is based on either :		
<ul style="list-style-type: none"> the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable). The fair value of interest-bearing borrowings with variable interest rates approximates their carrying amounts. the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable). 		
The fair value of interest-bearing borrowings with variable interest rates approximates their carrying amounts.		

Notes to the Audited Annual Financial Statements

31 March 2025	31 March 2024 Restated*
R '000	R '000

27. RISK MANAGEMENT

Liquidity risk

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

31 March 2025

	Carrying Amount	Contractual cash flows	6 Months or less
Trade and other payables from exchange transactions	4 764	4 764	4 764
Trade and other payables from non-exchange transactions	19 594	19 594	19 594
	24 358	24 358	24 358

31 March 2024

	Carrying Amount	Contractual cash flows	6 Months or less
Trade and other payables from exchange transactions	3 500	3 500	3 500
Trade and other payables from non-exchange transactions	18 544	18 544	18 544
	22 044	22 044	22 044

Credit risk

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

The PSETA limits its counter-party exposure by only dealing with well established financial institution approved by the National Treasury. The PSETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The PSETA's concentration of credit risk is limited to the industry (public service industry) in which it operates. No events occurred in the Public Service industry that may have an impact on the accounts receivable that has not been adequately provided for, as the levy income received from some public entities is minimal.

Market risk

The PSETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the PSETA is aware of except for the impact of the country's electricity crisis that may result in the shrinking of employment and a reduction in skills development levy income in the future.

28. GOING CONCERN

All SETAs operate on a license term, linked to the life-cycle of the National Skills Development Plan (NSDP). The entity is currently established until 31 March 2030. There are no known instances which cast doubt on the SETA's ability to continue as a going concern for the next 12 months. The financial position of PSETA is adequate for a conclusion to be reached that the operations will continue and the going concerns assumption is confirmed.

Notes to the Audited Annual Financial Statements

29. EXPLANATION OF MATERIAL VARIANCES BETWEEN ACTUAL RESULTS AND FINAL BUDGET

The explanation of variances between actual results and the final budget was done on the basis of the entity's materiality framework whereby all variances in excess of the R985 080.00 materiality have been explained below

The budget is approved by the Minister of Higher Education and Training (MHET) for the financial year 2024/2025. The approved budget items are classified by economic nature and the budget is on accrual basis.

29.1 Other income – Refunds, insurance, and grants received.

No material variance

29.2 Investment income

Variance on interest received income owing due to drop in interest rate.

29.3 Retention of surplus

Approved retention of surplus from 2024/2025 financial year.

29.4 Discretionary Grants

Variance is due to inclusion of commitments balances from 2023/24 FY.

29.5 Cost of employment

No material variance

29.6 Goods and Services

Variance due to invoices for maintenance of ERP system, funding model, intern audit consultancy work and recruitment agencies for temp employees

Travel invoices are received late and at times months after

29.7 CAPEX

No material variance

29.8 Approved surplus

This is a balancing figure as a result of a new requirement of including commitments from previous years to the current financial year's budget. See note 23.

29.9 Net surplus/ deficit after approved surplus.

This is a balancing figure as a result of a new requirement of including commitments from previous years to the current financial year's budget.

Notes to the Audited Annual Financial Statements

29. EXPLANATION OF MATERIAL VARIANCES BETWEEN ACTUAL RESULTS AND FINAL BUDGET (continued)

29.10 Voted funds received from DHET

No variance, all tranches are received and recorded

29.11 Skills Development Levy:

Income and Interests No material variance

29.12 Mandatory Grants

No variance, mandatory grants payments are fully settled.

30. PRIOR PERIOD ERRORS

To comply with GRAP 3, adjustments to correct the prior period errors were effected onto the comparative figures. The above necessitated the adjustments below:

- 30.1) Write-backs amounting to R1,274,998.62 and R 1 001,36 were not raised in the previous year. This has an effect on the opening balance of the commitment in the current year as shown in the table below.
- 30.2) Discretionary grant contracts worth R1,884,689.26 were not raised. This has an effect on the opening balance of commitments in the current year as shown in table below.
- 30.3) A payment of R6,048.00 effected in 2022/23 financial year was not recognised as an expenditure in that year.
- 17.1) Administration expenditure - an operating lease expenditure was mapped/classified incorrectly resulting in overstating operating lease rental and understating sundry expense by R202,077.38. This does not have an impact on total administration expenditure as they fall under the same category.

Statement of Financial Position	Note	2025	2024
	Reference		
Opening balance adjustment	30.1 & 30.2	609	-
Statement of Financial Position			
Increase in employer grant payable	30.3	-	6
Statement of financial performance			
Increase in mandatory grants expenditure	30.3	-	6

31. EVENTS AFTER THE REPORTING DATE

PSETA received summons during June 2024 issued out of Johannesburg High Court by a skills development provider, which alleged that it had suffered financial and economic losses due to not being granted extension of scope for accreditation on 2 qualifications. PSETA filed opposing papers in the matter. On 26 May 2025, the skills development provider filed a notice of withdrawal of the matter at the High Court. This brought the court action, which was previously disclosed under PSETA's contingencies, to an end.

[illegible]



Woodpecker Building
Hillcrest Office Park
177 Dyer Road
Hillcrest
Pretoria
0083
Tel: +27 12 423 5700
E-mail: communications@pseta.org.za

www.pseta.org.za