

Minutes of the Annual General Meeting (AGM) of the Construction Education and Training Authority (CETA) Held on Tuesday, 15 November 2022

Venue: Hybrid Meeting (Combined In-Person at Coastland Hotel in Umhlanga, with Virtual Participation)

PROGRAMME DIRECTOR

Mr Danny Masimene

CETA Board Member

PRESENTERS

Mr Thabo Masombuka

CETA Board Chairperson

Mr Malusi Shezi

CETA Chief Executive Officer (CEO)

Mr Tshenolo Lefutswe

CETA Acting Chief Financial Officer (ACFO)

Ms Molebogeng Thobela

CETA Executive Manager: Strategic Support (EM: SS)

Mr Phillip Vilakazi

CETA Board Member

IN ATTENDANCE

CETA Accounting Authority, Executive Management, Senior Managers and Staff Members,
SETA Executives and staff members,
Department of Higher Education and Training delegation,
Members of the Professional Bodies in the Construction Sector,
Levy Payers,
Skills Development Facilitators (SDF's),
Training Providers,
Learning Programs implementing entities,
TVET College delegates,
University departments,
Government Departments, and
Others – as per the MS Teams attendance report.

SECRETARIAT

Ms Kgomotso Motang

NO	ITEM
1.	<p>OPENING AND WELCOME</p> <p>Mr. Masimene, the Programme Director (PD), opened the Annual General Meeting (AGM) as mandated in the CETA Constitution, which dictates that public entities must hold such meetings each financial year to report to stakeholders. He extended a warm welcome to all stakeholders and formally commenced the AGM meeting.</p>
2.	<p>Declaration of Interest</p> <p>There was no conflict of interest declared by the stakeholders and all present in the AGM.</p> <p>A move for the adoption of the minutes was made by "age was that Aprica" and seconded by Vikinduku Ngola Trading 16.</p>
3.	<p>Safety protocols</p> <p>The representative responsible for occupational health and safety at the venue outlined the safety procedures to be followed in the event of emergencies.</p>
4.	<p>Adoption of the Agenda</p> <p>The Programme Director (PD) introduced the agenda for the Annual General Meeting (AGM) to the assembled stakeholders.</p>
5.	<p>Minutes of the 2020/21 Annual General Meeting</p> <p>The Chairperson of the Board, Mr. Masombuka, presented the content of the previous AGM's minutes (year2022), and they were unanimously approved as an accurate representation of the discussions that transpired during that meeting.</p>
6.	<p>Presentation of the Chairperson of the Board</p> <p>The Chairperson of the Board extended recognition to attendees from various sectors, including representatives from the Ministry and the Department of Higher Education and Training, Chief Hosi Mahumani delegate, SETA Executives, leaders from other entities, levy payers, TVET principals, Professional Councils, SDFs, the President of the Master Builders Association, Government Departments, and all CETA stakeholders who were participating both physical and virtual capacities. The Chairperson also recognised the individuals who had proudly represented both the country and CETA in the World Skills Competitions, held in Switzerland, America, and Germany, in the fields of Carpentry, Bricklaying, and Electrical Heating. The Chairperson remarked to the stakeholders that the rationale behind having the AGM in KwaZulu Natal as <i>"a gesture of an even much bigger initiative that we want to do as an Accounting Authority, which is to rotate, measure activities and events of the CETA throughout the length and breadth of the country."</i></p>

The Chairperson emphasized the significant issue of unemployment within the country, with young people resorting to desperate measures like waiting outside construction sites with signs requesting job opportunities. He stressed the importance of CETA staff and stakeholders recognising that learners enrolling in their programmes are not solely seeking skills and training; they are now actively seeking employment opportunities. The stipend provided to these young individuals is not merely a financial supplement but a fundamental source of income for their sustenance. The chairperson thus urged stakeholders to implement programmes effectively and efficiently with integrity for the benefit of transferring correct skills to the construction sector and also ensuring that those who are depending on the CETA stipend as their household's income are compensated timeously.

The Chairperson acknowledged the instability that the Administration transition has caused to the CETA staff and conveyed that the appointment of the Board is aimed at improving the overall condition of the CETA.

The Chairperson formally introduced the members of the Accounting Authority as appointed by the Minister of HESI, who hold the pivotal responsibility of overseeing and governing the functions of CETA and as specified below:

Representing Organised Labour	Mr. Phillip Vilakazi the Deputy President of NUM Ms. Sandra Maseko from NUM Mr. Sunday Mlangeni from NUM Ms. Rahab Mohetoa from BCAWU Mr. Josias Mpe from BCAWU
Representing Organised Employers	Mr. Danny Masimene the President of the BBCBE Mr. Roy Mnisi from MBSA
Representing Government Departments	Ms. Vangile Nene from the Department of Public Works and Infrastructure

The Chairperson indicated that the introduced Board members do not constitute the complete Board, and formal recommendations have been submitted to the Minister to conclude the requisite processes. The Chairperson brought attention to the prior decline in service quality at CETA, attributing it to unresolved Human Resources issues that had an unintended adverse impact on stakeholders and levy payers. The Chairperson pledged to promptly address these HR concerns to safeguard CETA's service

	<p>delivery and capacitating the construction sites. This commitment is aimed at enhancing organisational stability and strengthening stakeholder relationships. The Chairperson further committed to:</p> <ul style="list-style-type: none"> • Focus on partnership-based service delivery focusing on impactful interventions with TVET colleges, Community Colleges, SANRAL, National Departments. • Stable Governance and clean Financial Management. • Improvement in Audit outcomes. • Ensuring the provision of training interventions that are aligned to modern technology and the reality of the 4th Industrial Revolution (4IR) and for learners to be globally competitive. • Ensuring the increased participation of rural Black Women and persons with disabilities. • A transparent and responsive management culture. • An efficient functional and service delivery model to ensure a balanced partnership model and become the SETA that the industry can be proud of.
7.	<p>2021/22 Annual Report (AR) presentation</p> <p>The CEO, Mr. Malusi Shezi opened his presentation of the Annual Report (AR) by first observing all protocol by acknowledging all Principals and stakeholders attending the meeting.</p> <p>The CEO briefly highlighted the mandate of the CETA which emanates from Section 10 of the Skills Development Act of 1998 and its alignment to the National Skills Development (NSDP) 2030.</p> <p>The CEO presented the legislative prescriptions of the process and lay-out of the preparation of the Annual Report according to section 55 of the PFMA and the National Treasury guidelines and specimen.</p> <p>During his presentation of the Annual Report (AR), the CEO provided an overview of the forensic investigations conducted during the Administration period, where the Administrator serving as both the Accounting Authority and CEO during the review year, was appointed. The Audit Risk Committee, led by an independent Chartered Accountant, served as the only functional Committee of the then Accounting Authority.</p> <p>The investigations referred to above were:</p> <ul style="list-style-type: none"> • Matters that led CETA to be placed under Administration. • Matters around the Gobodo Report. • Investigation into the Skills Development Centres that were built and funded by the CETA. • Investigation in the CETA Fleet management.

The CEO indicated that there was still one investigation that was commissioned by the Administrator which was still in progress. The roles of the Administrator and the CEO were separated when the CEO assumed office on September 1, 2021.

The CEO introduced the Executive Members of the CETA, as shown below:

Mr. Tshenolo Lefutswe	Acting Chief Financial Officer
Mr. Phumzile Yeko	Executive Manager: ETQA and Projects
Ms Molebogeng Thobela	Executive Manager: Strategic Support

He gave highlights of the CETA performance and improvements under the year of review:

- Improved performance to 62% versus the APP targets, a 182% from the overall 22% achieved in the previous Financial Year.
- Program 1 improvements to 88% from 25%,
- Program 2 improvement to 100%,
- Improved partnership pipeline of 414%,
- CETA's participation and support to the participants of the World Skills Competition,
- Organisational stability premised on ethical, effective leadership and governance,
- Improved deficit by 43%,
- Increased levy payer-base by 5.4%, and
- Improvement of WSP's by 5%.

The CEO concluded the presentation of the Annual Report by highlighting that, thanks to the mentioned accomplishments and enhancements, expenditure was effectively managed and brought in line with performance, leading to a notable improvement during the review year.

8. 2021/22 Audited Annual Financial Statements and Audit Outcomes

The Acting CFO (ACFO) Mr. Tshenolo Lefutswe in his presentation of the Audited Financial Statements and Audit Outcome presented to the stakeholders the CETA's financial performance report.

The ACFO confirmed that all income and expenditure for the year under review was audited by the Auditor-General South Africa.

The ACFO presented an irregular expenditure of R76 million that was recorded under the year of review whose contributing factor was attributable to the expenditure exceeding the 7.5% threshold of DG

	<p>Projects administration which is regulated plus some non-compliance in SCM processes relating to RFQ's. He affirmed that all goods and services under the SCM irregularity were actually received by the CETA, and that no financial loss was attached to this non-compliance.</p> <p>The Audit outcome for the financial year 2021/22 was a Qualified <i>audit opinion</i>, which was on the Discretionary Grants Commitment disclosure note. This qualification was not agreed to by the CETA and its Audit and Risk Committee.</p> <p>The summarised version draft budget for the 2023/24 was presented by the Acting CFO highlighting the projected expenditure versus projected collection of levies.</p>
9.	<p>2023/24 Annual Performance Plan (APP) and Budget</p> <p>The Executive Manager: Strategic Support, Ms Molebogeng Thobela acknowledged all attendees of the AGM. The EM in her presentation of the APP explained that the CETA comprises of four performance programmes which are tabled below. The EM presented all output indicators under each learning programmes and the performance target attached to the indicator.</p> <p>It was noted that the CETA Annual Performance Plan is comprised of four broad programmes with a total of 87 targets and specific focus areas as follows:</p> <ul style="list-style-type: none"> • Administration – 13 targets, • Skills Planning and Reporting – 8 targets, • Learning Programmes and Projects – 55 targets, and • Quality Assurance – 11 targets.
10.	<p>Presentation and awards to the World Skills Competitors (WSC)</p> <p>The CEO gave an overview of the World Skills International Competitions, stating that the 2022 competitions were a Special Edition as the world was still transitioning from COVID19 lockdowns.</p> <ul style="list-style-type: none"> • The below competitors represented South Africa in the construction skills leg of the Competition and were honoured and awarded with R5 000,00 and Certificates each by the CETA. These Champions honoured were: Mr. Phiwayinkosi Ntshangase for Electrical Installation, • Mr Siphesihle Masina for Plumbing and Heating, • Mr. Lungelwa Mtetwa for Bricklaying, and • Mr. Pollen Phahlamohlaka for Carpentry in absentia.

	<p>The CEO implored industry to assist offer opportunities to these Champions that had fared well in global standards to compete at such level. CETA committed to funding them further with either bursaries should they still wish to study or with assistance for business start-up toolkits, etc.</p>
11.	<p>AGM 2021/22 Resolutions</p> <p>The 2022 AGM's agenda, as drafted, garnered unanimous approval from all meeting participants. Likewise, the Annual Report, as presented, was endorsed by the members of the meeting.</p> <p>Furthermore, the 2023/24 Strategic Plan, Annual Performance Plan (APP), and the draft Budget were also duly adopted.</p>
12.	<p>Vote of thanks and Closure</p> <p>Mr. Phillip Vilakazi, a member of the Accounting Authority, expressed his gratitude to all the stakeholders who actively engaged in this AGM and extended best wishes for a safe journey back to their respective destinations. He encouraged stakeholders to continue their participation by reaching out through the AGM email address or utilising the virtual platform for any meeting-related inquiries.</p> <p>Acknowledgment was also made regarding the resilience and positive sentiments shared by certain stakeholders towards the CETA staff during a challenging period, which coincided with numerous investigations.</p>

These 2021/22 AGM minutes were signed on behalf of the Accounting Authority, by:

Mr. Thabo Masombuka

Date