CETA

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY





ANNUAL REPORT 2020/2021

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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CETA GENERAL INFORMATION

THE GENERAL INFORMATION	
Registered name of the public entity	Construction Education and Training Authority
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PART A

GENERAL INFORMATION

AA	Accounting Authority	**NARYSEC**	National Rural Youth Service Corps
APP	Annual Performance Plan	**NC**	National Certificate
APR	Annual Performance Report	**NCV**	National Certificate Vocational
AQP	Assessment Quality Partner	**NGO**	Non-Governmental Organisation
ATR	Annual Training Report	**NPO**	Non-Profit Organisation
CBE	Core Business Executive	**NHBRC**	National Homebuilders Registration Council
CBO	Community-Based Organisation	**NLRD**	National Learners' Records Database
CEO	Chief Executive Officer	**NMMU**	Nelson Mandela Metropolitan University
CESA	Civil Engineering South Africa	**NQF**	National Qualifications Framework
CETA	Construction Education and Training Authority	**NSDS**	National Skills Development Strategy
CFO	Chief Financial Officer	**NSFAS**	National Student Financial Aid Scheme
CIDB	Construction Industry Development Board	**NVC**	New Venture Creation
CPD	Corporation for Public Deposits	**OFO**	Organising Framework for Occupations
CPUT	Cape Peninsula University of Technology	**PABX**	Private Automated Branch Exchange
CUT	Central University of Technology	**PFMA**	Public Finance Management Act
DEAF-SA	Deaf Federation of South Africa	**PIVOTAL**	Professional Vocational Technical and Academic Learning
DG	Discretionary Grant	**PSET**	Post-School Education and Training
DHET	Department of Higher Education and Training	**QAP**	Quality Assurance Partner
DHS	Department of Human Settlements	**QCTO**	Quality Council for Trades and Occupations
DoL	Department of Labour	**QMR**	Quarterly Monitoring Report
DPSA	Disabled People South Africa	**RPL**	Recognition of Prior Learning
DQP	Development Quality Partner	**SAFCEC**	South African Federation of Civil Engineering Contractors
ETQA	Education and Training Quality Assurance	**SANMVA**	South African National Military Veterans' Association
FETC	Further Education and Training Certificate	**SANRAL**	South African National Roads Agency SOC Limited
FITA	Flooring Industry Training Association	**SAQA**	South African Qualifications Authority
GCIS	Government Communication Information and System	**SARS**	South African Revenue Services
HET	Higher Education and Training	**SAWIC**	South African Women in Construction
ICB	Institute of Certified Bookkeepers	**SDA**	Skills Development Act
ICT	Information Communication Technology	**SDF**	Skills Development Facilitator
JPMT	Joint Project Management Team	**SDLA**	Skills Development Levies Act
KPI	Key Performance Indicator	**SETA**	Sector Education and Training Authority
KZN	KwaZulu-Natal	**SLA**	Service level Agreement
LGSETA	Local Government Sector Education and Training Authority	**SMME**	Small, Medium and Micro-sized Enterprise
LMIP	Labour Market Intelligence Programme	**SSETA**	Services Sector Education and Training Authority
LPQD	Learning Pathways and Quality Development	**SSP**	Sector Skills Plan
MBSA	Master Builders South Africa	**SP**	Strategic Plan
MG	Mandatory Grant	**TETA**	Transport Education and Training Authority
MIS	Management Information System	**TVET**	Technical and Vocational Education and Training
MoU	Memorandum of Understanding	**UKZN**	University of KwaZulu-Natal
MPLS	Multi-Protocol Label Switching	**UNIVEN**	University of Venda
MQA	Mining Qualifications Authority	**UoT**	University of Technology
MTEF	Medium-Term Expenditure Framework	**WITS**	The University of the Witwatersrand
MTSF	Medium Term Strategic framework	**WSP**	Workplace Skills Plan
NAMB	National Artisan Moderating Body		

FOREWORD

The Honourable. Dr Blade Nzimande
Minister of Higher Education, Science and Innovation

Submission Of Annual Report To The Executive Authority

In accordance with the Public Finance Management Act (No.1 of 1999), as amended, I have the honour of submitting to you, the Annual Report of the Construction Education and Training Authority for the period 01 April 2020 to 31 March 2021. This report provides an account of the financial and non-financial performance of the organisation. This is in response to the Annual Performance Plan that is approved for the same year of period ending 31March 2021.

The Post School Education and Training system, which comprises of both public and private institutions, plays an important and critical role of improving the socioeconomic status of South Africans through training and development, thus improving our economy. This role cannot be emphasised enough.

As the CETA, we wish to express our commitment to continue partnering with our stakeholders and various service delivery partners in order to provide skills development services to the construction sector.

Our objective is to equip South Africans with scarce and critical skills ensuring global competitiveness and positively changing the personal and professional lives of South Africans. Batho Pele!

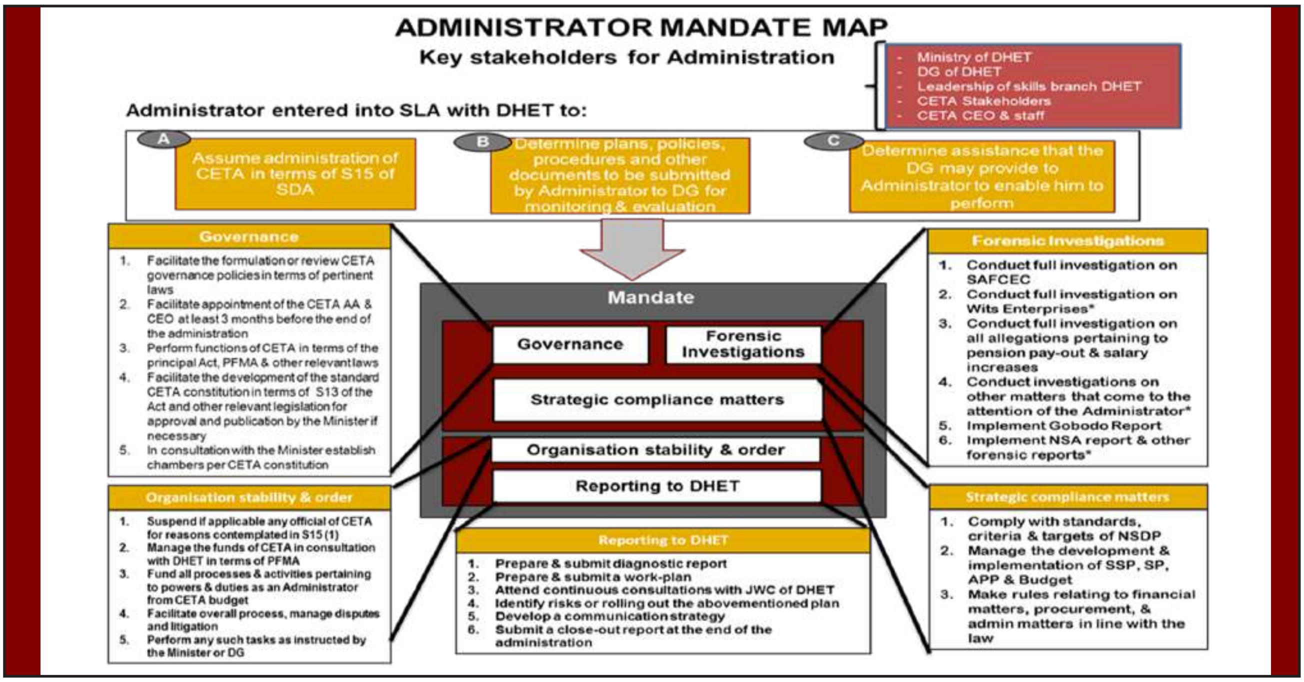
Mr SABELO WASA
CETA Administrator

The Report Of The Administrator

Introduction

It is my pleasure to present the Annual Report of the Construction Education and Training Authority (the CETA) for the 2020/21 financial year. The 2020/21 financial year end comes fourteen(14) months since CETA was placed under Administration.

The CETA was placed under administration on 3rd February 2020, as a result of amongst others admitted gross financial mismanagement and other governance failures. The Administrator was appointed as a consequence and given the mandate which is summarised in the diagram below:



The above had to be carried out under the State of Disaster conditions as declared by the President of the Republic on 23rd March 2020, which continued unabated during this period with most activities still not back to normalcy. Furthermore, the administration was also affected by the court case between the previous Accounting Authority (AA) and the Minister of Higher Education, Science and Innovation (Minister). In acknowledgement of these difficulties experienced by the Administrator during this period, the Director General of the Department of Higher Education and Training decided to extend the Administration period to the 2nd of February 2022.

This annual report outlines the overall performance of the organisation against set objectives, financial performance and positions of the organisation. CETA is now operating under license for a period ending March 2030; aligned to the National Skills Development Plan 2030 (NSDP), and this report marks the first reporting period under the NSDP and also a full financial year under administration.

General financial overview of the CETA

In the 2020/2021 financial year, CETA received approximately R387 million (including the fines and penalties) in skills development levies compared to approximately R637 million in the previous period, equating to 39,5% decline from previous period. This decline was mainly due to Covid19 lockdowns, and the four months levy holiday as announced by the President of the Republic. R42 million in mandatory grants was successfully disbursed while R543 million was spent on discretionary grant projects compared to R972 million in 2019/20. The total expenditure during the period under review decreased by R449 million from R1,27 billion to R826 million in 2019/20.

The decrease in expenditure for any public entity may be seen as an indicator of an entity that is not implementing its programs in achieving its mandate. However; the CETA continued to implement programmes despite the Covid-19 negative context. Also; we see this as a correction to the expenditure spike of approximately R397 million which we viewed as not matching performance during the same period, which I reported on in the 2019/20 annual report. What is remarkable with 2020/21 decrease in expenditure is that the current year's expenditure correlates with the performance achievement for the same year.

The Auditor General of South Africa gave an unqualified audit opinion with findings for the 2020/21 financial year. This is a huge improvement from the 2019/20 Qualification received by the CETA; this was as a result of the implemention of the Audit Action Plan prepared to address the Auditor-General's concerns and non-compliance gaps and control deficiencies that have emerged as a major risk to the organisation. The remaining compliance gaps and internal control deficiencies will be addressed in the 2021/22 financial year.

It is my pleasure to report that improvements in the internal control environment continued and all the areas of concern were addressed during the year; hence the improved audit outcome.

General performance review of CETA

From the onset, let me state that CETA's performance declined further during the period under review as a result of the following matters:

a) COVID-19 Pandemic

The 2020/21FY was an extraordinary year globally; and as with many other institutions the CETA was not immune to the overwhelmingly negative impacts of COVID-19 and all the challenges the that it brought. Since the declaration of the State of Disaster, training and other CETA programmes were severely impacted. Due to the nature of CETA programmes which require contact training, CETA was uniquely affected compared to other SETAs which could run most of its programmes online. CETA also had to contend with the limitation in procurement activities imposed by the National Treasury during the different adjusted levels.

b) Court case between the previous AA and the Minister

The labour court heard a matter brought to it, on an urgent basis, by some members of the previous AA against the Minister challenging its suspension. The judgement delivered on the 25th of February 2020 found against the Minister and consequently the previous AA re-instated, and the Administrator's appointment set aside. This the Minister took to appeal, which severely affected the operations of the organisation as the previous AA no longer had a proper quorum and therefore could not appoint an acting CEO and there was no Administrator in office. This continued to haunt the administration period during the different court processes that ensued, which are still persisting to this date.

c) Forensic investigations and organisational stability processes

During the Administration of any organisation, the role of the Administration Team is to efficiently deliver on different stakeholders' performance expectation while ensuring that the Forensic investigation processes are taking place. Forensic investigations are the rear-view mirror activities that are essential to the work of the Administrator. These are very time consuming activities that require the attention of staff and stakeholders who are important levers of performance in a service organisation like the CETA. Furthermore, the organisation required some extensive renewal to overhaul its performance and agility to respond to stakeholder needs. To this effect, the organisation underwent a thorough process of Organisational Development which process by its nature always leads to uncertainty among staff and consequently low staff morale which always affect the organisational performance.

d) Increase in performance targets

Against our advice, the Ministry of Higher Education, Science and Innovation insisted on increasing our targets. Our contention was that the Administrator was reviewing the organisation including the review of the Sector Skills Plan (SSP). This in addition to the limitations of Covid-19, which also led to the President announcing the Economic Reconstruction and Recovery Plan (ERRP) which required us to reallocated funds to respond to Covid-19 pandemic. Furthermore, the Administrator was extremely concerned by the data integrity within the organisation which directly impacted on the reporting which DHET considers in determining targets for subsequent years.

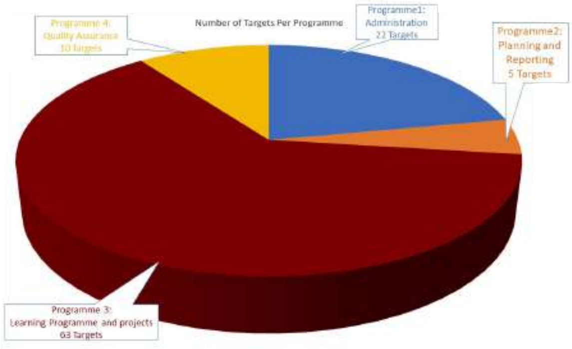
e) Delays in concluding Discretionary Grants

Breakages in the organisation meant that the review of policy positions by the Administrator was necessary to improve efficiencies in the disbursements of Discretionary Grants. Also; the Administrator had to widely consult with the stakeholders, amongst them the levy-payers who were unhappy with the organisation that they were leaving for other SETAs. Their major bone of contention was that the grant regulations were amended to reduce the mandatory grants and on the other hand CETA is excluding them in Discretionary Grants and is awarding to projects to entities that don not have work places who after they are appointed go to them and ask for work places. To this end, CETA responded by opening two windows, the general discretionary grant window closing in December 2020 and the levy-payer discretionary grant window which closed in March 2021. As a consequence, the performance linked to these windows will only be evident in 2021/22 financial. Consequently, performance for 2021/22 will account for two financial years' performance in one.

As a result of the above the overall performance of the CETA for the 2020/21 Financial Year is 22% compared to 30% achieved in the previous year.

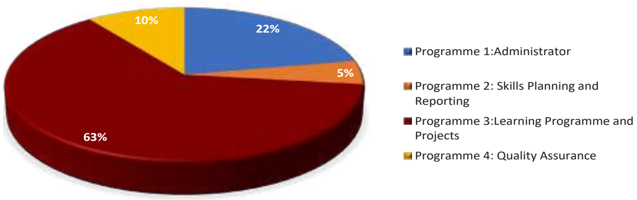
The CETA has 103 indicators which are split across four programmes with the bulk of the targets falling within programme 3.

Number of targets per programme



Of the 103 targets that were agreed upon in the APP, 22% were achieved overall, signalling a decline of 8% in performance as compared to the previous financial year where 30% was the reported performance for the CETA. Important to also note is that the number of targets was increased from a total of 80 in the 2019/20 FY to a total of 103 in the 2020/21FY.

Percentage achieved per programme



Programme Focus

The Administration team is focusing on skills development by striking a very delicate balance between the development of learners to be artisans and development of another set of learners to be professionals. I have identified the development and support of built environment professionals as its key strategic focus because of the influence of built environment professionals in the sector, and especially to transformation. To this end, I had set up a Reference Group made up of influential individuals and individuals from influential bodies in the construction sector to advise me on how CETA can accelerate the development and support of built environment professionals that would ably support transformation in the sector. This is further necessary in order to support the speed of the government's infrastructure roll-out. Groundwork has already begun in our graduate development programmes, with the focus on the following:

Formation of the built environment professionals' reference and support group - This group is made up of a majority of seasoned professionals from the academic and construction related services background. The objective of the group is to help CETA drive the activities related to the development of professionals, starting from policies to relations with institutions of higher learning. This group's work include the overall system of development of professionals by CETA, from identification of learners, funding of learners' studies, psychological and other support for funded learners, coaching and mentorship for learners, post school develop of leaners through different CETA programmes and relationship will former learners post their studies.

Review of CETA Bursary Schemes - The CETA made the decision to honour the memory of the former Core Business Executive Mr Thapelo Madibeng, who made a significant contribution to skills development at the CETA and other institutions. The strategic goal of the bursary programme is to have, "an increased pool of skilled and competent graduates entering the construction sector". This scheme ran parallel with the normal existing DG bursary scheme. Supported by the reference group mentioned above, we have reviewed these schemes to ensure alignment of the funding agreements to the requirements of different pathways that learners enroll into, improve the experience of the learners and the output rate for the schemes. To this end, we decided to have one bursary scheme which is Thapelo Madibeng Bursary Scheme and did away with DG bursary scheme. We are further investigating working with NSFAS in future where we give NSFAS the money set aside for bursaries as they are experts and CETA remains with its core mandate of being an organisation that brings people from schools and tertiary institutions into the work place

International Placement Programme - In order to address issues of transformation in the sector, the CETA embarked on various work placement programmes. These types of programmes address work placement difficulties for graduates and the limited practical work-place experience. The first batches of learners that were seconded to China have returned with new skills and now we are busy tracking their progress in the world of work or business. We recently also entered into a relationship with our counterparts IFPALAC in Mozambique for train the trainer project and exchange programme for learners in both countries.

Recognition of Prior Learning - The RPL programme identifies principles and processes through which prior learning, whether formal, non-formal or informal, is measured and mediated for recognition and certified against the requirements for credit in the formal education and training system.

This system is catalytic on the CETA-SAWIC project of identifying informal artisans and taking them through trade testing in order to issue them with certificates and hopefully improve their employability prospects and customer relation experiences.

CETA Academy - In partnership with WITS Enterprise the CETA aimed to provide SETA customised skills through the establishment of a CETA Academy. This initiative was mired in allegations around the procurement of the CETA academy building which led to the Administrator suspending the implementation of this programme and recovering R43 million irregularly paid relating to this building.

Establishment and Construction of Skills Development Centres - The Skills Development aim to provide access to occupational programmes and education to under served communities in rural areas through excellent educational facilities for the community. There are a number of challenges relating to the finalisation of the construction of these centres and/or the running and management of the same. We are busy with a number of processes and stakeholder interactions to ensure that this programme is revived and that all skills development centres run as originally intended. Particularly we have reviewed the policies, processes and the model of Skills Development Centres. It transpired that the policies for these were not clear and there was no standard model in place including that some had fallen to the state of unitability. We now have aligned the policies and developed a standard model for all the Skills Development Centres. Consequently, all the Skill Development Centres will be renovated and those that have not been completed will be completed. Two new ones that CETA had committed to build but for some reason or the other were never built. At least one of the Skills Development Centres will be renovated for sole use by the people with disabilities.

Artisanal Program - The training of artisans continues to be a national priority. The CETA has positioned itself as an artisanal SETA. The CETA conducted a research in 2018/19 financial year and the outcomes were quite revealing. CETA is now using the outcomes of this research to align its response to this national priority. The South African Women in Contruction (SAWIC)-CETA legacy artisanal project and IFPALAC-CETA project are the examples of truction (SAWIC)-CETA legacy artisanal project and IFPALAC-CETA project are the examples of the said response. Both these projects are in recognition that largely informal part of the construction sector is largely made of people with skills but certificated and often these informal skills are not recognised. These projects therefore aimed at addressing that the relevant skills are identified, and candidate to enter the formal system with acquired formal qualifications.

Contribution to the Economic Recovery and Reconstruction Plan (ERRP) - The construction sector is an important contributor to the South African economy. The construction industry has been the sector most affected by the downturn in capital spending in the economy for years now. The announcement of the nationwide lockdown as a response to Covid-19 has added to a down spiral of the construction sector. The future performance of the construction sector is dependent on the level of overall recovery of the economic activity in the country.

We expect the recovery will be slow but will accelerate owing to the announcement of the intended roll out of the infrastructure roll out programme by government in order to stimulate the economic activity, which could make construction a leader in the economic recovery of the country. The result will be a significant increase in the demand for labour services in the industry. We anticipate the demand for elementary occupation workers in small and medium sized companies will recover, given the assumption of some growth in total output in the industry over the next years.

The CETA aims to sustainably strengthen the vocational training supply and the employability of artisans in order to improve the labour market oriented vocational training system, and ultimately improve the employability and provide opportunities of self employment.

The development of the sector will also largely rely on the CETA bridging the skills gap and providing workplace placement opportunities for students through strategic partnerships with employers. To this end, CETA allocated just over R100 million to focus on skills development programmes aimed at addressing the ERRP imperatives in the selected provinces where there is high construction activities at the moment.

Progress on the Administration processes

To improve performance and deal with the matters that led to CETA being placed under administration. The Administrator has put the processes as mentioned below:

Governance

Consultations with the Minister are underway for the CETA standard constitution to be amended to cover two matters in the main – introduction of chambers and the establishment of CETA alumni. CETA also made some strides in the following areas of governance:

- Overhauling of SSP and review of APP and Budget as a result of COVID-19 amongst other things.
- Reviewed policies and the introduction of operational procedures.
- Review of technology to support the business.
- Stakeholder engagement – developed stakeholder engagement strategy, three webinars, (to mark the women's month, disability month, and infrastructure summit) and numerous meetings with key stakeholders including a newly established Construction Alliance South Africa (CASA).
- The organisational development processes to address human resource related issues has been completed, after being delayed due to Covid19 lockdown restrictions.

Organisational Stability and Order

In addressing the issues affecting employees from a Human Resource (HR) perspective, a panel of HR experts were engaged to assist in redesigning organisational structure that aligns to the CETA strategic plans and mandate, propose a better remuneration structure and performance rewards strategy including development of various performance and HR management and development policies. To date the process has the following developed for implementation in the 2021/22 financial year:

- New organisational structure,
- Talent and Leadership development framework and toolkit,
- Competency framework,
- Skills Audit and Job evaluation and grading reports,
- Incentives and Rewards strategy,
- Salary benchmark report,
- Up to date, clear and specific HR policies, and
- Change management and culture audit report.

The CETA had undertaken several initiatives to stabilise the organisation and introduce an order of doing things that is consistent and stakeholder focused. Many queries from stakeholders centred around non-payment of fees and stipends, as well as non-issue of certificates long after completion of training. To this effect, we have made visible strides in paying the backlogs and cleared the backlogs on outstanding certificates. We have introduced a portal where stakeholders lodge their queries and are attended to within 24 hours, where this is not achieved the system automatically escalates the queries to the office of the Administrator. The administration team engaged the services of the external party to cleanse data and introduce some integrity in the organisational data. Sadly, due to the state of the organisations data, this exercise was very costly but very necessary.

The Administrator also moved to implement NSA and Gobodo reports, and disciplinary processes were concluded for affected staff below executive that were under suspension. The employees were suspended but CETA could not establish the substance of the allegations against them returned to work. The disciplinary process for three senior staff including two executives and a senior manager are being concluded. The administration team is painfully aware that whilst it is important to look back at what went wrong in the past, it is critical to improve performance and introduce forward-looking programmes. To this end, the administration team identified a few high impact programmes:

- Support of informal sub-sector of construction through certification of qualifying informal artisans.
- Development and support of built environment professionals (with special focus to developing engineering scientists and improve the shortage of built environment professionals in the SADC region).
- Scorecard to continuously self-assess on transformation for vulnerable groups.

Forensic Investigations

The Minister delegated the Administrator to manage the forensic investigations on matters that led to him suspending the Board and conduct any other investigations on matters that came to the attention of the Administrator. To this end, the engaged forensic investigators to pursue various streams of forensic investigations informed by terms of reference relevant to the scope of these investigations. The main forensic investigations have been concluded, and I have decided to subject this report to the senior counsel to ensure that all the findings and recommendations are legally sound. All of these have now been concluded and the same will be presented to the Minister to follow his processes which include consultation with the National Skills Authority (NSA) and presenting the reports finally to the Portfolio Committee.

Strategic Compliance Matters

The CETA had complied with the departmental directives on several issues including COVID-19 directives, review of APP, and budget as a result of four months levies break and other COVID-19 related reasons. One must however flag the reality that CETA would not avoid irregular expenditure going forward due to policy deficiencies and other reasons related to COVID-19.

Acknowledgement

Since taking office as an Administrator, we have set out to engage our stakeholders to support and participate in skills development initiatives by the CETA and appreciation goes to our active employers, professional bodies, training providers and beneficiaries of CETA programmes for continuing to work with us and inspiring us to deliver to our best ability.

I would also like to acknowledge the support received from the Minister and the management of DHET who have exercised a high level of good leadership amid a challenging period in the organisation. I also wish to applaud CETA staff and the leader-ship of the labour union NEHAWU for their continued robust engagements with the Administrator over this period in order to bring order and stability to the environment.

Mr Sabelo Wasa

CETA Administrator:

18 August 2021

Statement of responsibility and confirmation of accuracy for the annual report

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

- All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions. The Annual Report has been prepared in accordance with the guidelines as issued by the National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practices including any interpretations, guidelines and directives issued by the Accounting Standards Board.
- In my capacity as the Administrator, have had an oversight role in the preparation of the Annual Financial Statements by the Chief Financial Officer and his team, supported by the Audit and Risk Committee who re viewed these financial statements prior to submission to myself, the National Treasury and the Department of Higher Education and Training.

The Administrator has an oversight role in the establishment and implementation of a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements. The Chief Financial Officer, the Executive Team, the Internal Auditors and the Audit and Risk Committee assist in accomplishing this task; and the Auditor-General has been engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the CETA for the financial year ended 31 March 2021.

Mr Sabelo Wasa

CETA Administrator:

18 August 2021

STRATEGIC OVERVIEW

Legislative and Other Mandates

Legislative Mandate

The Construction Education and Training Authority is established in terms of the Skills Development Act, 1998, Act No.97 of 1998 as amended and listed in terms of the Public finance Management Act, 1999 (Act No, 1 of 1999) as amended as a Schedule 3A public entity.

The following are the legislative, policies and other frameworks that govern the work of the CETA:

Income Tax Act 1962 –Tax Allowance, (Act 58 of 1962)

Section 12H of the Income Tax allows for tax breaks for entities participating in learnerships and apprenticeships programmes and other relevant approved SETA programmes. The CETA is involved in the process of learnerships tax claims by entities in the sector registering learnerships or apprenticeships agreements with the CETA as well as for completion of such learning programmes included in the tax breaks by the South African Revenue Services.

Basic Conditions of Employment Act (BCEA) 1997, (Act 75 of 1997): Sectoral Determination No 5: Learnerships

The Act makes the sectoral determination establishing binding conditions of employment and rates of allowances for learners in all sectors where SETAs operate. It therefore enjoins the CETA to observe compliance with such conditions in all the agreements entered into for the relevant funded learning pathways.

Employment Equity 1998, (Act 55 of 1998)

This Act aims to facilitate workplace transformation through the elimination of unfair discrimination and implementation of affirmative action and measures to enable equitable representation of employees from different race and gender groups in the workplace.

Skills Development Act 1998 (Act 97 of 1998)

The Skills Development Act requires the CETA to develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS) III. The CETA SSP is aligned with the Labour Market Information Intelligence framework and guidelines issued by DHET.

Public Finance Management 1999, (Act 1 of 1999)

PFMA is aimed at promoting good financial management in order to maximise delivery through the efficient and effective use of financial resources within the CETA. The PFMA is an act to regulate financial management in the national Government and provincial Governments; 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 there with. The CETA is obliged to comply with National Treasury Practice Notes aligned with the PFMA. This is achieved through the active involvement of an AA to provide an oversight role of all functions, decisions and promoting accountability. The CETA ensures compliance of all financial and related activities in line with the PFMA whilst curbing the challenges of fruitless and wasteful as well as irregular expenditure that plague public service entities.

Skills Development Levies Act, 1999 (Act 9 of 1999)

The Act makes provision for the South African Revenue Service (SARS) to collect skills levies and distribute them by paying a portion thereof into the account of the National Skills Funds (NSF) and use the remainder in terms of its provision and those of the Skills Development Act and SETA Grant Regulations.

The National Qualifications Framework

(NQF) Act (Act 67 of 2008) The National Qualifications Framework (NQF)Act allows for the CETA to develop qualifications within the occupational and higher education sub frameworks. This Act also provides for the regulation of qualifications and professional bodies, and establishes the quality councils that the CETA interacts with including the QCTO. The CETA is a quality assurance body for construction qualifications through the delegation of authority from the QCTO. The NQF Act 2008 provides for a National Qualifications Framework with three sub-frameworks and each is underpinned by its relevant legislation: the General and Further Education and Training Qualifications Framework (GENFETQF) Act, the Occupational Qualifications Framework (OQF), and the Higher Education and Training Qualifications Framework (HEQF).

Broad-Based Black Economic

Empowerment Amendment Act 2013, (Act 46 of 2013) The amended Code Series 300, Statement 300: The General Principles for Measuring Skills Development prescribes compliance targets and weighting points to be claimed by Measured Entities, subject to verifiable expenditure incurred for training black people on various listed learning interventions. The Code determines that "Workplace Skills Plan, an Annual Training Report and Pivotal Report which are SETA approved" will constitute criteria for Measured Entities to receive points towards their BBBEE scorecards. The CETA evaluates the submitted WSPs for approval. Upon approval of the WSP, the CETA issues an approved entity with a compliance certificate that the entities may use for BBBEE purposes.

SETA Grants Regulations (2012)

The SETA's Grant Regulations Regarding Monies Received by a SETA and Related Matters, which was gazetted on 3 December 2012 and came into effect on 1 April 2013, has also been taken into account in our budgeting and identification of PIVOTAL and Non PIVOTAL interventions. The Grants Regulations requires the CETA to allocate discretionary grants to qualifying or eligible enterprises or entities as per processes prescribed in the grants regulations. The Grants Regulations further requires the CETA to provide funding to the QCTO for up to 0.5% as determined by the Minister of Higher Education and Training. The CETA complies with this requirement through invitations to all stakeholders interested in implementing CETA priority qualifications to submit proposals annually. This is to address skills shortages within the construction industry.

Policy Mandates

CETA's strategic planning process has taken into consideration the aims and objectives of the Human Resources Development Strategy for South Africa, which outlines the human resources development strategy for the country; the Medium Term Strategic Framework (MTSF), which is a broad Government framework that indicates economic growth drivers and the National Skills Development Plan 2030 (NSDP). These mandates serve as the roadmap for CETA within which to deliver our skills development interventions.

The National Development Plan (NDP) (2013)

The National Development Plan was introduced at the end of 2011 by the National Planning Commission. It focuses on the reduction of poverty and inequality and reiterates the objectives of the New Growth Path. It lays out the vision to be achieved by 2030. The NDP is a detailed blueprint for how the country can eliminate poverty and reduce inequality by the year 2030.

National Human Resource Development (HRD) Strategy of South Africa

The National HRD Strategy of South Africa (2010 to 2030) is a social compact distilling the critical skill challenges for the socio-economic growth and development of the country. The document also sets out collective commitments for all sectors of the society. The CETA addresses the HRD Strategy commitments as follows:

White Paper on Post-School Education and Training (PSET)

The White Paper was established amongst others to ensure a coordinated, and inclusive post school education and training system, expand access, improve quality of provision and ensure education and training system that is responsive to citizens, employers as well as the broader societal developmental objectives. It seeks to expand the scope of education and training to include even people who could not attend formal education.

The CETA supports the policy objectives of the White Paper on Post School Education and Training.

National Skills Development Plan 2030

The NSDP 2030 seeks to improve the economic growth of the country through the provision of adequate, appropriate and high-quality skills. It focuses on the improvement of the education system, including universities, TVET's and Community Education and Training. It emphasises the need for basic and technical skills and therefore both unemployed and employed beneficiaries need to be targeted. In this way the plan seeks to assist job seekers to attain the skills needed for the workforce and simultaneously create career growth opportunities.

In line with the eight outcomes stipulated in the NSDP 2030 the CETA Strategic Priorities are as follows as identified in the SSP:

- Support skills development of new entrants or the unemployed to the Construction Sector;
- Enhance the skills of the existing workforce of the Construction Sector; Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector; Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions; and
- Support national imperatives in relation to skills development, with emphasis on the Construction Sector.

The Expanded Public Works Programme (2004)

The Expanded Public Works Programme (EPWP) is a nationwide government led initiative aimed at drawing a significant number of unemployed South Africans into productive work in a manner that will enable them to gain skills and increase their capacity to earn an income that will contribute towards the development of their communities. Since its inception in 2004, the EPWP has been drawing significant numbers of the unemployed into productive work so that they gain skills and work experience that enhance their future employability. The programme provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term.

Since the EPWP inception, the CETA's role is to conduct external moderation for training provided in the construction sector. This also includes the certification of Learners. The CETA considers the Department of Public Works and Infrastructure as a major public sector partner in the delivery of skills development activities. On an annual basis the CETA provides Financial support in the implementation of bursaries, Internships, Candidacy and Learnership programmes.

National Infrastructure Maintenance

Strategy (2007) Infrastructure, in the form of public buildings, roads, water and sewerage systems, electricity and other services, supports quality of life and is the foundation of a healthy economy. Maintaining infrastructural projects and initiatives is a prudent investment which reduces government expenditure significantly in the medium to long term. Thus maintaining infrastructure performance, strengthening service sustainability, health improvement while economically contributing significantly towards local, provincial and national government sectors. The CETA supports this strategy through the provisioning of discretionary funding to municipalities based on their economic activity that are in alignment to the construction sector.

Comprehensive Rural Development Programme (2009)

The Comprehensive Rural Development Programme (CRDP) was approved by our South African cabinet in 2009. Its main objective is for the government to partner with people in the rural areas for the purpose of eradicating poverty effectively through the integrated agrarian transformation and the strategic investment in economic and social infrastructure programs that will benefit rural communities and improving their quality of life.

With a number CETA's Skills Development Centre township areas, it provides the rural and township contractors accessibility to our facilitation in Contractor Development programs particularly in the area of Supply Chain management including assistance in tendering processes. This facilitation includes both Technical Construction Skills support, Venture Creation and Management programs.

Strategic Infrastructure Projects (2012)

The South African Government adopted a National Infrastructure Plan(NIP) that covers social and economic infrastructure across our nine province with emphasis on the lagging regions. The main purpose was to transform South Africa's economic landscape while creating employment, strengthening of basic services delivery initiatives locally and supporting the integration of African economies. This multi billion project comprises of 18 Strategic Integrated

Projects (SIP) catalytic projects that are fast tracking the development and growth of our economy. These projects are of infrastructure and construction in nature therefore requiring CETA's skills development support by identifying and implementing SIPs Priority Occupations.

Transformation in the Construction Sector: Construction Charter Codes (2017)

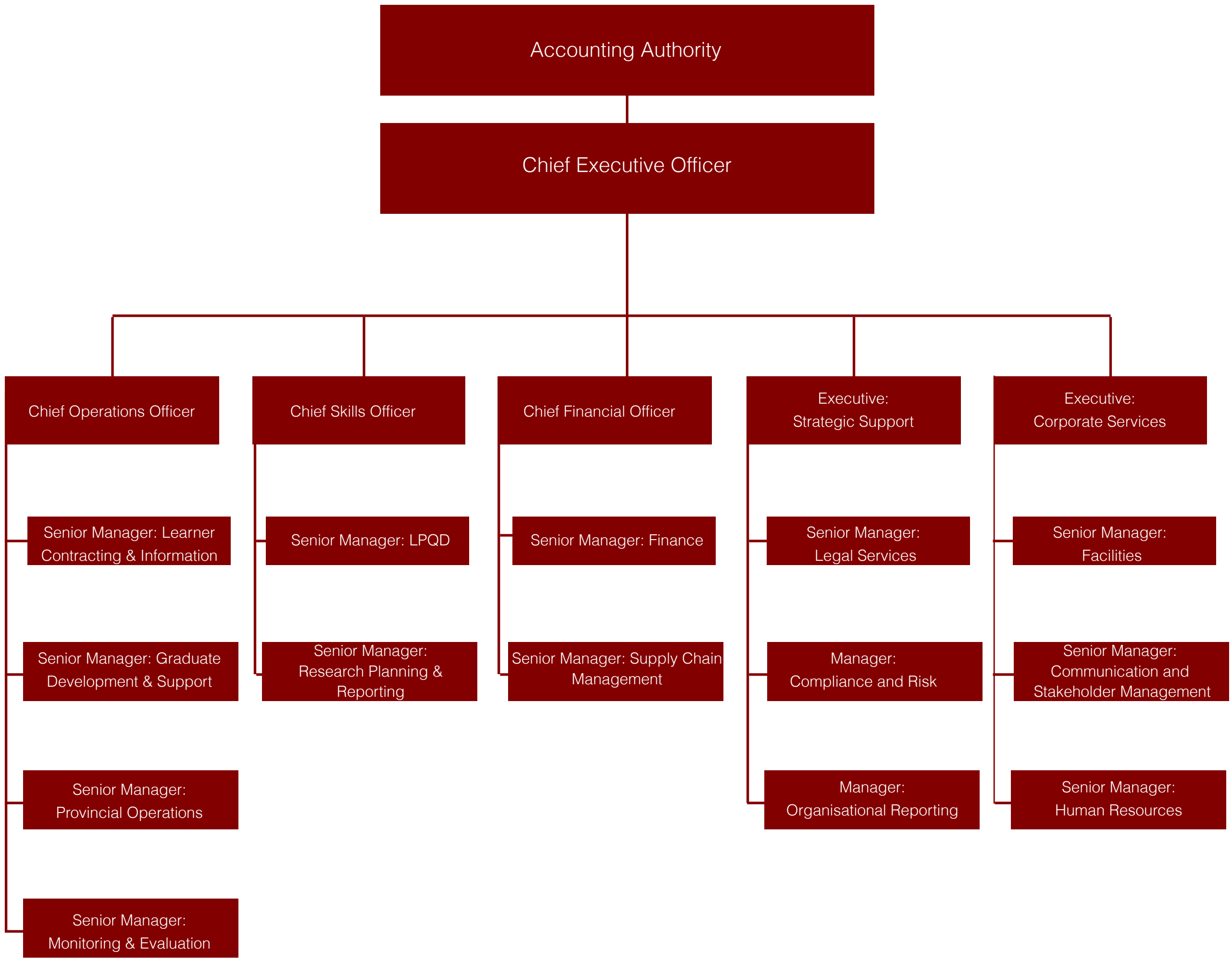
Amended Construction Sector Code of the Broad-Based Black Economic Empowerment Act No.53 of 2003 seeks to increase the participation of Black South Africans and people with disabilities in the construction sector. This focus on the Broad Based Black Economic Empowerment (BBBEEE) in the construction sector, has also informed CETA's strategic planning process and participation. This much needed transformation is a result of the private sector's inability to address challenges of historic inequality in the construction sector by implementing limited BBBEE charter codes. The construction sector continues to reflect the historic vast inequalities in ownership in the construction business. South African Black business participation is principally through small to micro businesses with limited growth yielding low levels of growth and sustainability. There is a limited number of black South Africa business people, especially black women in leadership roles, managerial positions and specialised skills in larger enterprises. The South African Economic

Reconstruction and Recovery Plan (2020)

In order to mitigate the economic devastation brought by the outbreak of COVID-19 pandemic in March 2020, the South African government introduced a three phased Economic Reconstruction and Recovery Plan.

The Three Phases includes; Engage and Preserve - which includes a comprehensive health response to save lives and curb the spread of the pandemic; Recovery and Reform - which includes interventions to restore the economy while controlling the health risks; Reconstruct and Transform - which entails building a sustainable, resilient and inclusive economy. For the construction sector, the pandemic led to low rates of capacity utilisation for a prolonged period thereby negatively impacting gross fixed capital formation for the entire economy. This saw the South African Government prioritising an aggressive infrastructure investment amongst other priorities. The CETA fully embraces the government's economic reconstruction and recovery plans in place to ensure that the key elements finds expression in the CETA's strategies and programmes.

ORGANISATIONAL STRUCTURE



PART B

PERFORMANCE INFORMATION

1. Auditors Report: Predetermined Objectives

Refer to page 96-99 of the Report for the Auditor's Report, published as Part E

2. Situational Analysis

2.1 Service Delivery Environment

The CETA Annual Report is repository of qualitative information developed and informed by the National Skills Development Plan (NSDP) 2030 and its objectives. Programmes, objectives, targets and budgets have been put in place to ensure that the NSDP (2030) goals, outcomes and outputs, which have been adopted as strategic objectives for the CETA are achieved. These objectives are reviewed annually as part of the annual strategic planning process to ensure relevance and to take into consideration the dynamics within CETAs operating landscape

The CETA has identified the following as its primary strategic objectives:

Primary Strategic Objectives are as follows:

- Support skills development of new entrants or unemployed to the Construction Sector;
- Enhance the skills of the existing workforce of the Construction Sector;
- Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector
- Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions; and
- Support national imperatives in relation to skills development, with emphasis on the Construction Sector.

2.2 Organisational Environment

The commencement of the 2020/21 Financial Year (FY2020/21) and Administration Term coincided with the onset of the COVID-19 global pandemic which led to the entire country being placed under hard lockdown for most of the first quarter followed by the subsequent phased relaxation of lockdown regulations which took effect towards the latter part of the first quarter and throughout the second quarter. The hard lockdown placed further pressure on the construction sector that was already in the midst of an economic down-turn resulting in a direct impact on the CETA's income collection which was further exacerbated by the Skills Development Holiday that was legislated by Minister of Higher Education and Training, Dr Blade Nzimande.

The restrictions placed on the country during the hard Lockdown as well as the introduction of the various alert levels which were subsequently lifted in a phased-in approach severely affected all industries and the CETA was not spared from the ripple effect emanating from the effects sustained by our stakeholders and partners who are essential in ensuring that the organisation is able to deliver on its mandate effectively and efficiently. Performance was further impacted by the return to Level 3 lockdown in January 2021.

Because of the Level 3 lockdown and the Skills Development Holiday that needed to be adhered to during that time, the impact on CETAs targets were in the workplace based learning, our strategic partnerships, ie working with TVETs, supporting SMMEs, career development practices and CETAs initiatives based in rural areas including our support to CRDP projects.

Over and above the COVID-19 pandemic and the previous and ongoing external challenges brought about by the slow-down in economic activity, it is important to also note that the CETA as an organisation had its own internal challenges of being placed under administration from the previous FY 2019/20. The Administration Team's mandate and Service Level Agreement's (SLA) main focus are on the execution of an overall organisational turn-around strategy, addressing and dealing with the following matters;

Management Vacuum – Between 13 June 2018 and 31 January 2020, the organisation was operating without a CEO. An interim CEO was appointed, however the organisation is still managing the negative ripple effects caused by the fact that many of the Executive Management vacancies are vacant.

Industrial Action – In August 2019, employees in the organisation embarked on three months industrial action which directly impacted on the achievement of most of the targets resulting in more than 65% of the targets not met in FY2019/20.

Strategic Partnerships – As with the nature of all challenges, the challenges faced by the CETA had a negative impact on the business of our Strategic Partners and the programmes that were designed to aid the organisation in achieving its targets.

The Auditor-General South Africa (AGSA) has served the CETA with discretionary audits including performance audit, special audits and investigation audits on the challenges faced by the CETA. The Administrator, Mr Sabelo Wasa, is currently working on ensuring that the correct remediation plans are agreed upon and implemented to ensure that the issues that have been identified by AGSA are thoroughly addressed. He is fully committed to ensuring that the CETA continues to deliver on its mandate more efficiently and effectively by ensuring that the issues of governance breaches, impropriety and alleged transgressions are dealt with conclusively.

Summary of Performance

Reasons for the performance of the CETA during the 2020/21 FY are in part is due to the following challenges:

COVID-19 – Majority of the targets across the CETAs programmes were directly impacted by COVID-19. The Level 5 hard lockdown period during Quarter 1 (April 2020 – June 2020) meant the closure of workplaces and training institutions. During Quarter 2 (July 2020 – September 2020) the country was placed under Level 3 lockdown, allowing only 33% of the workforce to occupy workplaces. Although the COVID-19 restrictions were relaxed in September 2020 allowing for the commencement and continuation of the bulk of the programmes, the return to Level 3 in January 2021 meant a further hinderance to the progress made. Programmes impacted include but are not limited to Work Integrated learning (WIL) related programmes, SMME and NGO development, research projects, partnerships and strategic targets.

DG Allocations – The CETA had planned to open three Discretionary Grant (DG) windows during the latter part of 2020 and beginning of 2021. These DG windows focused on general allocations, the levy-payers window, and the bursary allocation. Due to COVID-19 related delays the DG process only commenced in December 2020 and was finalised at the end of March 2021. The implication thereof delayed the implementation of projects that were aimed at addressing the performance deficit and these will only commence in the FY 2021/22.

Administration – During its tenure, the Administration Team has looked to identify and address major issues spanning length and breadth of the organisation. Although the performance of the organisation remains an important element, the team is primarily focused on the implementation of the turnaround strategy for the CETA and its overall operation.

Strategic Partnerships – The above mentioned challenges have also impacted on some of the strategic partnerships and programmes that were designed to aid the organisation in achieving its targets. The delays in implementation and lack of follow through subsequently resulted in the non-achievement of partnership objectives and CETA targets. Programmes that were severely affected were Learnerships, Artisans, Internships, TVET placements, HET placements, Candidacy partnerships with Universities and TVET colleges. These challenges also affected CETAs support to SMME's, NGO's, and the development and registration of new occupational qualifications.

Going Forward

Timeous implementation of projects as well as improved tracking to completion will result in improved performance as one of the major issues experienced during the year in review was delays. While the delays in this instance were outside of CETA's control, in general the CETA and Administration Team has as one of their deliverables the timeous implementation of projects as well as improved project management through improved processes and systems. In addition, the partnerships initiated by the CETA will assist the organisation in achieving its strategic goals and as well as aid in the stimulation of skills development at all educational levels.

In the continued effort to improve our efficiencies and successful implementation of projects, the CETA is also enforcing adherence to strict timelines for training providers who are implementing programmes and improving the monitoring and management of projects. While still ensuring that targets that are set are achievable and aligned to the needs of the industry, the Administration Team will also improve overall processes, controls and data quality throughout the organisation. The process of implementing a new system which will bring with it further efficiencies has commenced and once implemented this will eradicate issues experienced with current processes which play a huge role in poorly managed project implementation and tracking.

2.3 Key Policy Developments and Legislative changes

During the year under review, the discretionary grants policy, funding guidelines and models of the discretionary grant allocation were reviewed in line with relevant legislation. The CETA discretionary grants funding policy was revised to address and keep up with the critical areas of the National Skills Development Plan 2030.

The risk management policy and strategy were updated and aligned with to National Treasury Risk Management Guidelines, King IV Reporting on Corporate Governance and other International Standards such as COSO Framework and ISO 31000 and outlines, amongst others, the risk management methodology and approach, the risk appetite and tolerance, risk management process and risk responsibilities. The policy and strategy were duly approved for immediate implementation.

2.4 Outcome Orientated Goals

- Goal 1: To provide ethical and strategic leadership and management
- Goal 2: To ensure a credible mechanism for skills planning and reporting in the construction secto
- Goal 3: To address skills priorities within the construction sector
- Goal 4: Implementation of Quality Assurance that will enhance and ensure provision of quality training

The Programme Structure:

The CETA's Strategic Plan and Annual Performance Plan are made up of four broad programmes. These programmes are aligned to the Department of Higher Education & Training's and Treasury Guideline Strategic Framework.

Programme 1: Administration
Programme 2: Skills Planning and Reporting
Programme 3: Learning Programmes and Projects
Programme 4: Quality Assurance

Programme 1: Administration

- Corporate Services
- Finance
- Governance
- Information and Communication Technology

Programme 2: Skills Planning And Reporting

- Skills Planning
- Reporting

Programme 3: Learning Programmes And Projects

- Implementation of learning programmes e.g: Short Skills Programmes
- Learnerships
- Apprenticeships
- Graduate Placements
- Work Integrated Learning
- Recognition of Prior Learning
- Candidacy
- Development of Skills Centres
- Development and Support of SMME's, coops, NGOs, CBOs
- Bursaries
- Certifications (excluding trades)
- Partnerships
- Career and vocational guidance

Programme 4: Quality Assurance

- NQF Provider Accreditations
- Qualifications Review and Development Monitoring Evaluation

RELATED TO APP PART C: MEASURING OUR PERFORMANCE

Programme 1: Administration

This programme consists of the following sub-programmes:

1.1 Corporate Services

1.2 Finance

1.3 Governance

1.4 Information, Communications and Technology

Goal: To provide ethical and strategic leadership and management.

Programme 1:	Administration
Purpose:	To provide strategic leadership, management and support services to the CETA
Sub-programme 1.1:	Corporate Services
Purpose:	Provide Effective Human Capital Management
Sub-programme 1.2:	Finance
Purpose:	Sound Financial Management and accurate reporting
Sub-programme 1.3:	Governance
Purpose:	Exemplary Corporate Governance and Management
Sub-programme 1.4:	Information, Communication and Technology
Purpose:	Effective governance of ICT
Sub-programme 1.5:	Public relations and marketing
Purpose:	Enhancement of public relations and marketing activities

Programme Output Indicators and Annual Targets for MTEF 2020/21

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction Seta	Adequate provision and capacitated Human resources within the CETA	Reduce Vacancy rate to 37%	47%	36%	37%	39.43%	2.43%	**Target Exceeded.** During the period of Administration the vacancy rate has remained unaltered due to the fact that various processes are underway to address staffing and skills requirements within the CETA.
Support national imperatives in relation to skills development with emphasis on the Construction Seta	Adequate provision and capacitated Human resources within the CETA	% of staff trained or enrolled in further studies / received continuous development as per the skills matrix (informed by the signed PDP and statutory requirements) as well as % of employees with approved performance plans	100%	100%	100%	76.7%	(23.3%)	**Target not achieved.** Target is dependent on the finalization of OD processes which are aimed at identifying skills gaps and are nearing completion in the 2021/22 FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction Seta	Adequate provision and capacitated Human resources within the CETA	Provide bursaries to CETA staff and fund the participation of SETA Executives and Management in the CETA developed NQF 9 programme	36	17	10	10	0	**Target achieved.**
Support national imperatives in relation to skills development with emphasis on the Construction Seta	Adequate provision and capacitated Human resources within the CETA	Partner with a public institution of higher education to develop a programme at an NQF 9 level specifically for SETA Executives and Management	-	-	1	0	(1)	**Target not achieved.** Initiative was put on hold due to the organization being placed under Administration.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction Seta	Adequate provision and capacitated Human resources within the CETA	Conduct at least one staff development intervention per quarter in the following areas: Writing skills Staff training on legislation, policies and procedures CETA professional etiquette International Computer Driving License A SETA accredited short course in project management	4	0	4	0	(4)	**Target not achieved.** Target is dependent on finalization of OD processes related to identification of skills gaps and personal development plans, which are nearing completion in the 2021/22 FY.
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Increased inclusion of women on CETA programmes	Increase in percentage of women participating on all learning programmes	-	-	60%	54%	(6%)	**Target not achieved.** While the CETA is deliberate with ensuring increased participation of women, the target is largely dependent on training provider recruitment and influenced by the level of participation expressed by women.
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Statutory compliance requirement is adhered to maintain an unqualified audit opinion	Quarterly financial reports are submitted to DHET	4	4	4	4	0	**Target achieved.**

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Statutory compliance requirement is adhered to maintain an unqualified audit opinion	Creditor payment age as per the Treasury Regulations.	30 days	30 days	30 days	91 days	61 days	**Target not achieved.** Due to manual and labour-intensive nature of processes and lack of capacity within the finance department.
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	Number of functional governance committees meeting on a quarterly basis to provide oversight on the delivery of the CETA's mandate and provide guidance	7	7	7	2	(5)	**Target not achieved.** As a result of the CETA being placed under Administration on 03 February 2020, all governance structures were dissolved. During the Administration period, only two structures were formed in the EXCO and Audit Committee
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	Number of functional governance committees meeting on a monthly (EXCO) basis to provide oversight on the delivery of the CETA's mandate and provide guidance	-	12	12	8	(4)	**Target not achieved.** Due to COVID-19 disruptions and disruptions experienced at the beginning of the Administration period fewer meetings were held.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	Number of functional governance committees meeting on a monthly (Finance Committee) basis to provide oversight on the delivery of the CETA's mandate and provide guidance	-	6	6	0	(6)	**Target not achieved.** As a result of the CETA being placed under administration on 03 February 2020, all governance structures were desolved. During the administration period, there was no finance committee and the oversight function on the organisation's finances was provided by the administration team and the audit committee.
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	Review and approved delegation of Authority Framework	Approved Delegation of Authority Framework	Approved Delegation of Authority Framework	Approved Delegation of Authority Framework	Approved Delegation of Authority Framework	-	**Target Achieved.**

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	All policies and procedures are approved annually	Approved policies and procedures	Approved policies and procedures	Approved policies and procedures	Approved policies and procedures	Policies were not approved	**Target not achieved.** The CETA was placed under Administration on 03 February 2020, the process of reviewing, upgrading and alignment of policies throughout the organisation is targeted for 2021 completion.
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	New records management system	-	-	1	0	(1)	**Target not achieved.** The new records management system was not implemented due to the legislated freeze on SCM processes during the COVID-19 lockdown period, which resulted in a general delay across all procurement processes.
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Functional governance structures in operation to monitor the efficiency and functionality of the organization in line with statutory requirements	Transformation scorecard	-	-	4	0	(4)	**Target not achieved.** The process was initiated by the CETA but finalization not achieved in the current financial year.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Efficient risk management structures in place to monitor the efficiency and functionality of the organization in line with statutory requirements	Effective and efficient systems of risk, internal controls and organizational compliance - Develop an annual risk and compliance plan. - Develop an annual risk register and compliance universe. - Risk and compliance awareness - Annual assessment of risk maturity	-	-	4	0	(4)	**Target not achieved.** The implementation and finalisation of risk management processes was finalised in the 2021/22 FY.
Support national imperatives in relation to skills development with emphasis on the Construction SETA	Efficient risk management sructures in place to minotor the efficiency and functionality of the organisation in line with statutory requirements.	Effective and efficient systems of risk, internal controls, and organizational compliance - Quarterly risk register and compliance universe update - Quarterly reporting	-	-	4	0	(4)	**Target not achieved.** The implementation and finalisation of risk management processes was finalised in the 2021/22 FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	A responsive ICT system	ICT Strategic and Implementation Plan are approved annually, monitored, analyzed and responsive to ICT systems performance.	1	1	1	1	0	**Target achieved.**
		Optimal SETA performance of ICT across the organisation	-	Survey report on the optimal use of ICT	Survey report on the optimal use of ICT	Survey report on the optimal use of ICT was conducted	-	**Target achieved.** Optimal SETA performance of ICT across the organisation
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Enhanced reputation of the CETA through public relations and marketing activities	Number of marketing activities through existing projects and implementation of other cost-effective branding initiatives	-	-	1	0	(1)	**Target not achieved.** As a result of the CETA being placed under Administration on 03 February 2020 as well as COVID-19 restrictions marketing activities and strategies are to be revisited.
		Regular feedback with media houses (broadcasting, print and radio) and use of new media to raise the profile of the CETA	7	1	1	0	(1)	**Target not achieved.** As a result of the CETA being placed under Administration on 03 February 2020, engagement with media has been at a minimum.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Enhanced reputation of the CETA through public relations and marketing activities	Stage awards event for the construction sector	-	-	1	0	(1)	**Target not achieved.** This target could not be implemented due to COVID-19 and the subsequent lockdown restrictions.
		Report on media engagement from stakeholders and management thereof	-	-	4	0	(4)	**Target not achieved.** As a result of the CETA being placed under Administration on 03 February 2020, engagement with media has been at a minimum.

PROGRAMME 2: SKILLS PLANNING AND REPORTING

This programme consists of the following sub-programmes:

2.1. Skills Planning

2.2. Reporting

2.3. Research

Goal: To ensure a credible mechanism for skills planning and reporting in the construction sector

Programme 2:	Research, Planning and Reporting
Purpose:	To ensure a credible mechanism for skills planning and reporting in the construction sector.
Sub-programme 2.1:	Skills Planning
Purpose:	To ensure effective planning to address the skills priorities in the sector
Sub-programme 2.2:	Skills performing reporting
Purpose	To ensure effective reporting on skills priorities in the sector
Sub-programme 2.3:	Research
Purpose	To ensure relevant and applicable research on skills priorities in the sector

Programme Output Indicators and Annual Targets for MTEF 2020/21

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Enhance the skills of the existing workforce of the Construction Sector	Identified interventions required to improve enrolment and completion of priority occupations	Number of levy paying members with submitted and approved WSPs and ATRs that contribute to the development of the SSP	2425	2397	2200	2405	205	**Target Exceeded.** The CETA successfully conducted stakeholder engagement sessions to support levy paying entities in ensuring submission of their WSPs and ATRs
Enhance the skills of the existing workforce of the Construction Sector	Identified interventions required to improve enrolment and completion of priority occupations	1 SDF workshop per province per annum on WSP and ATR compilation and submission	9	9	9	3	(6)	**Target not achieved.** Due to COVID-19 three online workshops were held in place of the nine face-to-face sessions with stakeholders. The workshops were open to participants nationally and coverage was across all nine provinces.
Enhance the skills of the existing workforce of the Construction Sector	Identified interventions required to improve enrolment and completion of priority occupations	Produce an updated and approved Sector Skills Plan aligned to the DHET SSP Framework	1	1	1	1	0	**Target achieved.**
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	Accurate and compliant reporting on CETA Performance Information	Quarterly Monitoring Reports (QMR) are submitted to DHET and validation reports are kept	4	4	4	4	0	**Target achieved.**

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs to priorities including contributing to transformation through skills development in the construction sector	Research conducted that underpins the CETA strategy	Perform at least one research activity to measure the delivery of skills in the sector	1	1	1	1	0	**Target achieved.**

Programme 3: learning programmes and projects

This programme consists of the following sub-programmes:

3.1 Implementation of learning programmes e.g.:

- Short Skills Programmes
- Learnerships
- Apprenticeships
- Recognition of Prior Learning
- Bursaries

3.2 Graduate Placements

3.3 Development of Skills Centres

3.4 Development and Support of SMME's, Co-ops, NGOs, CBOs & NPOs

3.5 Partnerships

3.6 Career and vocational guidance

3.7 Certification (excluding trades)

Goal: To address skills priorities within the construction sector.

Programme 3:	Learning Programmes and Projects
Purpose:	To address skills priorities within the construction sector
Sub-programme 3.1:	Implementation of learning programmes
Purpose:	To ensure the skills needs in the sector are addressed with adequately skilled workforce
Sub-programme 3.2:	Graduate placements
Purpose:	To address transformation challenges within the built environment through increasing access to built environment professions for individuals from previously disadvantaged groups.
Sub-programme 3.3:	Development of Skills Centres
Purpose:	Greater Access By Marginalized Communities To Skills Development Through Infrastructural Support
Sub-programme 3.4:	Development and support of SMME's, COOPs, NGOs, CBOs and NPOs
Purpose:	A Vibrant Civil Society Engagement In Skills Development Within The Construction Sector
Sub-programme 3.5:	Partnerships

Programme 3:	Learning Programmes and Projects
Purpose:	To address skills priorities within the construction sector
Purpose:	Strengthened Collaboration and Partnerships for skills development in the construction sector
Sub-programme 3.6:	Career and vocational guidance
Purpose	Increased knowledge and interest in the construction careers
Sub-programme 3.7:	Certification (excluding trades)
Purpose	Increased throughput of learners on accredited construction programmes through a strengthened certification process

Programme Output Indicators and Annual Targets for MTEF 2020/21

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and Enhance the skills of the existing workforce of the construction sector the construction sector	National enrolment and resource ratios for the high, intermediate, and elementary skills level	Percentage of discretionary grant budget allocated at developing high level skills	-	-	20%	18%	(2%)	**Target not achieved.** The high-level skills comprised mostly of candidacy programmes for which performance was notably low
	National enrolment and resource ratios for the high, intermediate, and elementary skills level	Percentage of discretionary grant budget allocated at developing medium level skills	-	-	60%	79%	19%	**Target exceeded.** The overachievement was due to part or most of the projects executed included commitments from previous financial years which contributed to the performance
	National enrolment and resource ratios for the high, intermediate, and elementary skills level	Percentage of discretionary grant budget allocated at developing low level skills	-		20%	3%	(17%)	**Target not achieved.** The low-level skills comprised mostly of learnerships for which performance was notably low.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector	Research on TVET curriculum development	Research report on TVET curriculum development.	-	-	1	0	(1)	**Target not achieved.** Due to the disruption brought about by COVID-19 and the strain on resources priority was given to implementation and completion of projects already in the pipeline.
	Learners in employment (internships, skills programmes, bursaries, learnerships completed)	Number of learners placed in employment (internships, skills programmes, bursaries, learnerships completed)	-	-	1134	0	(1134)	**Target not achieved.** Due to the disruption brought about by COVID-19 and the subsequent economic challenges, places of employment were not absorbing learners who had completed their learning programmes.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Skills needs of established and emergent cooperatives are identified	SETAs identify in their skills planning research, established and emergent cooperative and their skills needs	-	-	1	0	(1)	**Target not achieved.** Research was conducted within the organisation, however the focus was on COVID-19, its immediate impact and the industry's response to the challenges it presented. The research findings are contained in the SSP.
	Skills needs of small and emerging enterprises are identified	SETAs through their skills planning research, identify skills needs of small and emerging enterprises	-	-	1	0	(1)	**Target not achieved.** Research was conducted within the organisation, however the focus was on COVID-19, its immediate impact and the industry's response to the challenges it presented. The research findings are contained in the SSP.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
	Learnerships entered							
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of learnerships entered	Number of unemployed learners per year entering in learnerships	6463 (funded)	2747 (funded)	1000 (funded)	63 (funded)	(937)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of learnerships entered	Number of unemployed learners per year entering in learnerships	725 (unfunded)	197 (unfunded)	399 (unfunded)	73 (unfunded)	(326)	**Target not achieved.** The CETA has minimal control over this target in terms of projects being implemented and relies largely on the stakeholders within the sector to report on new registration of learners onto programmes.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of learnerships entered	Number of employed learners per year entering in learnerships	10 (funded)	43 (funded)	100 (funded)	1 (funded)	(99)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of learnerships entered	Number of employed learners per year entering in learnerships	130 (unfunded)	31 (unfunded)	60 (unfunded)	37 (unfunded)	(23)	**Target not achieved.** The CETA has minimal control over this target in termsof projects being implemented and relies largely on thestakeholders within the sector to report on new registration of learners onto programmes.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
	Learnerships completed							
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of learnerships completed	Number of unemployed learners per year completing learnerships	1925 (funded)	764 (funded)	1569 (funded)	1437 (funded)	(132)	**Target not achieved.** The closure of training institutions during the COVID-19 lockdown period caused a delay in completions of programmes due to inability of CETA to conduct assessments required before certification.
	Increased number of learnerships completed	Number of unemployed learners per year completing learnerships	2143 (unfunded)	832 (unfunded)	200 (unfunded)	510 (unfunded)	310	**Target achieved.**
	Increased number of learnerships completed	Number of employed learners per year completing learnerships	0 (funded)	41 (funded)	100 (funded)	2 (funded)	(98)	**Target not achieved.** Due to COVID-19 and the subsequent legislated lockdown period there were delays experienced with external moderation and certification for completed projects.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of learnerships completed	Number of employed learners per year completing learnerships	53 (unfunded)	83 (unfunded)	29 (unfunded)	30 (unfunded)	1	**Target exceeded.** The CETA has minimal control over this target in terms of projects being implemented and relies largely on the stakeholders within the sector to report on completion of learners onto programmes.
	Skills Programme Entered							
	Increased number of skills programmes entered	Number of unemployed learners per year entering skills programmes	4880 (funded)	3447 (funded)	450 (funded)	403 (funded)	(47)	**Target not achieved.** The learning programme targets are dependent on DG allocations. The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of skills programmes entered	Number of unemployed learners per year entering skills programmes	362 (unfunded)	6273 (unfunded)	285 (unfunded)	125 (unfunded)	(160)	**Target not achieved.** The CETA has minimal control over this target in terms of projects being implemented and relies largely on the stakeholders within the sector to report on new registration of learners onto programmes.
	Increased number of skills programmes entered	Number of employed learners per year entering skills programme	143 (unfunded)	45 (unfunded)	209 (unfunded)	10 (unfunded)	(199)	**Target not achieved.** The CETA has minimal control over this target in terms of projects being implemented and relies largely on the stakeholders within the sector to report on new registration of learners onto programmes.
	Increased number of skills programmes entered	Number of employed learners per year entering skills programmes	16 (funded)	57 (funded)	0 (funded)	0 (funded)	0	Not measured and therefore there is no deviation against this target. This performance indicator is included as per DHET SLA template .

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
	Skills Programme Completed							
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of skills programmes completed	Number of unemployed learners per year completing skills programmes	1708 (funded)	353 (funded)	627 (funded)	152 (funded)	(475)	**Target not achieved.** Due to COVID-19 and the subsequent legislated lockdown period there were delays experienced with external moderation and certification for completed projects.
	Increased number of skills programmes completed	Number of unemployed learners per year completing skills programmes	4126 (unfunded)	313 (unfunded)	143 (unfunded)	258 (unfunded)	115	**Target exceeded.** This target was exceeded as a result of the learners that entered and were registered in the previous financial year, successfully completing their programmes.
	Increased number of skills programmes completed	Number of employed learners per year completing skills programmes	20 (funded)	0 (funded)	0 (funded)	0 (funded)	0	Not measured and therefore there is no deviation against this target. This performance indicator is included as per DHET SLA template.
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of skills programmes completed	Number of employed learners per year completing skills programmes	429 (unfunded)	0 (unfunded)	72 (unfunded)	23 (unfunded)	(49)	**Target not achieved.** Due to COVID-19 there were delays experienced with external moderation and certification for completed projects.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
	Artisan Entered							
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of artisans entered	Number of unemployed learners per year entering artisan programmes	8421 (funded)	1248 (funded)	2500 (funded)	514 (funded)	(1986)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of artisans entered	Number of unemployed learners per year entering artisan programmes	1626 (unfunded)	59 (unfunded)	582 (unfunded)	11 (unfunded)	(571)	**Target not achieved.** The CETA has minimal control over this target in terms of projects being implemented and relies largely on the stakeholders within the sector to report on new registration of learners onto programmes
	Increased number of artisans entered	Number of employed learners per year entering artisan programmes	81 (funded)	0 (funded)	0 (funded)	0 (funded)	0	Not measured and therefore there is no deviation against this target. This performance indicator is included as per the APP.
		Number of employed learners per year entering artisan programmes	462 (unfunded)	0 (unfunded)	0 (unfunded)	0 (unfunded)	0	Not measured and therefore there is no deviation against this target. This performance indicator is included as per the APP.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
	Artisan Completed							
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of artisans completed	Number of unemployed learners per year completing artisan programmes	1029 (funded)	75 (funded)	1745 (funded)	0 (funded)	(1745)	**Target not achieved.** This target was not achieved as apprenticeship programmes take three years to complete and learners that have completed the programme are still to undergo trade testing for completions to be reported. In addition, COVID-19 and the subsequent lockdown period led to a delay in learner completion of programmes.
	Increased number of artisans completed	Number of unemployed learners per year completing artisan programmes	82 (unfunded)	179 (unfunded)	292 (unfunded)	0 (unfunded)	(292)	**Target not achieved.** The CETA has minimal control over this target in terms of projects being implemented and relies largely on the stakeholders within the sector to report against this indicator.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of artisan completed	Number of employed learners per year completing artisan programmes	584 (funded)	0 (funded)	0 (funded)	0 (funded)	0	Not measured and therefore there is no deviation against this target. This performance indicator is included as per the APP.
	Increased number of artisan completed	Number of employed learners per year completing artisan programmes	182 (unfunded)	0 (unfunded)	0 (unfunded)	0 (unfunded)	0	Not measured and therefore there is no deviation against this target. This performance indicator is included as per the APP.
	Increased number of bursaries entered	Number of unemployed bursaries learners enrolled (new enrolments)	2317 (funded)	458 (funded)	100 (funded)	100 (funded)	0	**Target achieved.**
		Number of unemployed bursaries learners enrolled (continued)	-	-	638 (funded)	0 (funded)	(638)	**Target not achieved.** Due to COVID-19 disruptions to the school year and a subsequent delay in results, confirmation of continuations could not be reported and will only be determined in the next financial year.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of bursaries entered	Number of employed bursaries learners enrolled (new enrolments)	-	-	105 (funded)	0 (funded)	(105)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of bursaries entered	Number of employed bursaries learners enrolled (continued)	-	-	30 (funded)	0 (funded)	(30)	**Target not achieved.** Due to COVID-19 disruptions to the school year and a subsequent delay in results, confirmation of continuations could not be reported and will only be determined in the following financial year.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of bursaries completed	Number of bursaries completed: Employed learners per year	-	0 (funded)	75 (funded)	0 (funded)	(75)	**Target not achieved.** The CETA did not achieve this target as there is no direct control over this output as it is dependent on each individual learner's performance and commitment.
	Increased number of bursaries completed	Number of bursaries completed: Unemployed learners per year	100 (funded)	109 (funded)	125 (funded)	95 (funded)	(30)	**Target not achieved.** The CETA did not achieve this target as there is no direct control over this output as it is dependent on each individual learner's performance and commitment. Further due to COVID-19 and the impact it had on the academic year, some learners only received their results in April 2021.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of internships entered	Number of unemployed learners per year entering internships	743 (funded)	252 (funded)	340 (funded)	3 (funded)	(337)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of internships completed	Number of unemployed learners per year completing internships	124 (funded)	0 (funded)	100 (funded)	221 (funded)	121	**Target exceeded.** The learners who completed were part of the SAFCEC and Chinese Culture and International Education Exchange Centre programmes.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of University Student Placement entered per year	Number of University Student Placement entered per year	437 (funded)	35 (funded)	261 (funded)	78 (funded)	(183)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of University Student Placement completed per year	Number of University Student Placement completed per year	69 (funded)	0 (funded)	57 (funded)	0 (funded)	(57)	**Target not achieved.** The closure of training institutions during the COVID-19 lockdown period caused a delay in completions of programmes.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of TVET Student Placement entered per year	Number of TVET Student Placement entered per year	373 (funded)	120 (funded)	522 (funded)	183 (funded)	(339)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of TVET Student Placement completed per year	Number of TVET Student Placement completed per year	68 (funded)	0 (funded)	57 (funded)	1 (funded)	(56)	**Target not achieved.** The closure of training institutions during the COVID-19 lockdown period caused a delay in completions of programmes.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and enhance the skills of the existing workforce of the construction sector	Increased number of Candidacy programmes entered per year	Number of learners entering Candidacy programmes per year	452 (funded)	68 (funded)	522 (funded)	124 (funded)	(398)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Increased number of Candidacy programmes completed per year	Number of learners completing Candidacy programmes per year	51 (funded)	0 (funded)	55 (funded)	0 (funded)	(55)	**Target not achieved.** The completion of this target was negatively affected by the resignations of mentors on the programme.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support national imperatives in relation to skills development with emphasis on the construction sector	Supported skills development centres in construction sector	Number of skills development centres in the construction sector supported	-	1	7	0	(7)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions a and Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	SETA/ University partnerships funded by the CETA through discretionary grants for construction sector programmes	Number of SETA/ University partnerships funded by the CETA through the discretionary grants for Construction sector programmes	6	1	10	0	(10)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions And Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	SETA/TVET College partnerships supported and signed MOUs with CETA to deliver and implement skills development programmes in construction sector	Number of SETA/TVET College partnerships supported and signed MOUs with CETA to deliver and implement skills development programmes in the construction sector	36	8	35	0	(35)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Programme Output Indicators and Annual Targets for MTEF 2020/21

SUBPROGRAMME: PARTNERSHIPS – University, TVET and CET

Purpose/Strategic Objective: Strengthened Collaboration and Partnerships for skills development in the construction sector

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions And Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	CET partnerships established	Number of CET partnerships established	-	-	9	0	(9)	**Target not achieved**. The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions And Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Partnerships with private institutions to improve service delivery through skills development	Number of partnerships entered with private institutions to improve service delivery through skills development	-	-	7	0	(7)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Programme Output Indicators and Annual Targets for MTEF 2020/21

SUBPROGRAMME: DEVELOPMENT AND Growth of Public College System
Purpose/ Strategic Objective: Support the growth of the public college system

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Supported TVET Colleges	Number of CETA Offices established and maintained in TVET Colleges	8	0	9	0	(9)	**Target not achieved.** The CETA is currently looking at changing its regional office location strategy. The aim of the strategy is to make regional offices more accessible to stakeholders and ensuring the regional staff are properly accommodated.
	Supported TVET Colleges	Number of TVET Lecturers exposed to the industry	-	-	10	0	(10)	Target not achieved. Due to COVID-19 disruptions to the construction industry and the school calendar year this target could not be achieved.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Supported TVET Colleges	Number of TVET colleges lecturers awarded bursaries	-	-	5	0	(5)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Supported TVET Colleges	Number of TVET colleges infrastructure development support (equipment/ workshops)	-	-	9	0	(9)	**Target not achieved.** COVID-19 resulted in the closure of educational institutions which impacted implementation.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Supported CET Colleges	Number of CET colleges lecturers awarded bursaries	-	-	9	0	(9)	**Target not achieved.** COVID-19 resulted in the closure of educational institutions which impacted implementation. Target not achieved. The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Supported CET Colleges	Number of CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT	-	-	4	0	(4)	**Target not achieved.** COVID-19 resulted in the closure of educational institutions which as a result impacted implementation.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Supported CET Colleges	Number of Managers receiving training on financial and Leadership Management	-	-	10	0	(10)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Programme Performance Indicators and Annual Targets for MTEF 2020/21

Sub-programme: development and support of SMME'S, COOPS, NGOS, CBOS & NPOS
Purpose: A Vibrant Civil Society Engagement in Skills Development within the Construction Sector

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Cooperatives supported with training interventions and or funded	Number of Cooperatives supported with training interventions or funded.	8	1	9	0	(9)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	SMMEs in the construction sector supported through funding and/or accreditation	Number of Small Businesses supported with training interventions or funded.	25	0	9	0	(9)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	People trained on entrepreneurships supported to start their businesses	Number of people trained on entrepreneurships supported to start their businesses	-	-	9	0	(9)	**Target not achieved.** While this is a strategic priority for the CETA, the organization was unable to implement due to numerous challenges experienced during the year including e.g. Administration and COVID-19.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	NGOs supported with skills development interventions programmes within the construction sector	Number of CBOs/NGOs/ NPOs supported with training interventions or funded	7	2	12	0	(12)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	People trained on entrepreneurial skills	Number of people to be trained on entrepreneurial skills	-	-	36	0	(36)	**Target not achieved.** While this is a strategic priority for the CETA, the organization was unable to implement due to numerous challenges experienced during the year including e.g. Administration and COVID-19.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/ 2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Capacity building workshops held in skills development for Trade Union support	Number of capacity building workshops in Skills development for Trade Union Support	2	0	2	0	(2)	**Target not achieved.** While no formal workshop was arranged the CETA had engaged with trade unions with regards to potential projects

Programme Output Indicators and Annual Targets for MTEF 2020/21

SUB PROGRAMME: PARTNERSHIPS

Purpose/Strategic Objective: Strengthened Collaboration and Partnerships for skills development in the construction sector

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	Partnerships with public institutions to improve service delivery through skills development	Partnerships entered with public institutions to improve service delivery through skills development	18	14	12	0	(12)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	Public sector projects in rural areas	Number of public sector projects in rural areas planned for delivery of skills development programmes in the construction sector	38	0	18	0	(18)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.
	Workshop with each of the 6 councils within the built environment sector	Conduct one workshop with each of the 6 councils within the built environment sector	6	0	6	0	(6)	**Target not achieved.** While no formal workshop was arranged the CETA had engaged with the various engagements to initiate the potential partnerships and realise the synergies between the different entities.

Programme Output Indicators and Annual Targets for MTEF 2020/21

SUB-PROGRAMME: IMPLEMENTATION OF LEARNING PROGRAMMES
Purpose/Strategic Objective: A skilled and capable workforce in the construction sector

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Enhance the skills of the existing workforce of the construction sector	Assessed RPLed learners	Number of Learners RPLed (assessed) through Recognition of Prior Learning	2051	807	1396	15	(1381)	**Target not achieved.** The learning programme targets are dependent on DG allocations The CETA DG allocation process commenced in December 2020 and was only finalized at the end of March 2021. The implication thereof is that implementation of projects that were aimed at addressing the performance deficit will only commence in the 2021/22FY.

PROGRAMME OUTPUT INDICATORS AND ANNUAL TARGETS FOR MTEF 2020/21

SUB PROGRAMME: CAREER AND VOCATIONAL GUIDANCE
Purpose/ Strategic Objective: Increased knowledge and interest in the construction careers

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Career development exhibitions held in urban areas on occupations in high demand	Number of career development events in urban areas on occupations in high demand	30	26	21	0	(21)	**Target not achieved.** Career development events require face to face interaction and the legislated lockdown restrictions on travel and the uncertainty brought about by the COVID-19 meant that these could not take place.
	Career development exhibitions held in rural areas on occupations in high demand	Number of career development events in rural areas on occupations in high demand			10	0	(10)	**Target not achieved.** Career development events require face to face interaction and the legislated lockdown restrictions on travel and the uncertainty brought about by the COVID-19 meant that these could not take place.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Trained career development practitioners	Number of career development practitioners trained	-	-	10	0	(10)	**Target not achieved.** Due to the disruption brought about by COVID-19, interruptions in the curriculum and closure of institutions this target could not be achieved.
	Updated career guidance booklets for the construction sector	Number of career guidance booklets updated for the construction sector	1	1	1	1	0	**Target achieved.**

Programme 4: Quality Assurance

This programme consists of the following sub-programmes:

4.1. NQF Provider Accreditations
4.2. Qualifications review and Development
4.3. Monitoring Evaluation
Goal: Implementation of quality assurance processes that will enhance and ensure quality provision of training.

Programme 4:	Quality Assurance
Purpose:	Implementation of quality assurance that will enhance and ensure quality provision of training
Sub-programme 4.1:	NQF Provider Accreditation
Purpose:	Accredited skills training in the construction sector
Sub-programme 4.2:	Qualifications review and development
Purpose:	Qualifications development
Sub-programme 4.3:	Monitoring and Evaluation
Purpose:	Increased and improved monitoring and evaluation of CETA programmes

Programme Output Indicators and Annual Targets for MTEF 2020/21

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and Enhance the skills of the existing workforce of the construction sector	Newly accredited training providers for short skills programmes	Number of new accredited training providers for short skills programmes	511	126	55	63	8	**Target exceeded.** The target was exceeded due to the secondary applications from other SETA's and new applications we were able to overachieve our targets.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Support skills development of new entrants or unemployed people into the construction sector and Enhance the skills of the existing workforce of the construction sector	Maintained database of CETA accredited training providers	Maintain a database of CETA accredited training providers	1	1	1	1	0	**Target achieved.**
	Maintained database of QCTO registered construction qualifications	Maintain a database of QCTO registered construction qualifications	1	1	1	1	0	**Target achieved.**
	TVET Colleges accredited with the CETA	Number of accredited TVET Colleges with the CETA	31	7	-	-	-	No target set for the 2020/21 FY and therefore not tracked.
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Support TVET College lecturers	Number of lecturers trained at TVET colleges	-	-	40	0	(40)	**Target not achieved.** Due to the disruption brought about by COVID-19 and the strain on resources priority was given to implementation and completion of projects already in the pipeline.
	Approved DQP projects	Signed SLA with QCTO for the CETA to be the DQP	8	1	1	1	0	**Target achieved.**
	Register with new occupational qualifications and curriculum	Design, develop and register new occupational qualifications and curriculum	-	0	8	0	(8)	**Target not achieved.** Unit severely under-resourced during the 2020/21 FY.

Outcome	Output	Output Indicators	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to actual achievement for 2020/2021	Reasons for deviations
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Approved DQP projects	Number of DQP Projects approved	8	7	7	30	23	**Target achieved.** The following qualifications were achieved: - 14 Flooring Qualifications - 16 Construction Plant (Earthmoving) Qualifications.
	A learnerships register maintained with DHET	Number of registered learnerships maintained with DHET	60	87	1	1	0	**Target achieved.**
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	CETA programmes effectively monitored	External Moderation Visits Schedule for CETA programmes is compiled and approved.	7	4	4	4	0	**Target achieved.** Q1 and Q2 site visits combined due to Lockdown.
	Quarterly site visit audits for all accredited training providers to verify if they are still compliant	Conduct quarterly site visit audits for all accredited training providers to verify if they are still compliant	-	4	4	0	(4)	**Target not achieved** Due to COVID-19 and the subsequent restrictions on travel during the lockdown period.

Annual Performance Plan adjusted targets

In response to the request made to Seta's on the 9 July 2020 by DHET to revise and adjust their Strategic Plans, Annual Performance Plans and Budgets to reflect the impact of COVID-19 on the organisation the following targets were amended during the year:

Programme 1:

Outcome	Output	Output Indicators	Planned annual target 2020/2021	Revised annual target 2020/2021	Deviation from planned target to actual target 2020/2021	Reasons for deviations for revisions to the Outputs/Output indicators/Annual targets
Support national imperatives in relation to skills development with emphasis on the construction sector	Adequate provision and capacitated Human Resources within the CETA	Reduce vacancy rate to 37%	15%	37%	(22%)	As a result of the organization being placed under Administration on the 3 February 2020, there was a freeze on hiring. The Administration team initiated an extensive Organisational Design process aimed at identifying skills gaps and addressing staffing and skills requirements within the CETA. These processes are nearing completion in the 2021/22 FY. The related targets were adjusted accordingly.
		Provide bursaries to CETA staff and fund the participation of SETA Executives and Management in the CETA developed NQF 9 programme	26	10	(16)	The four-month levy payment holiday initiated by Government during the COVID-19 lockdown period of 2020 put a severe strain on the CETA's resources. The administration budget was adjusted accordingly, and the target was lowered. In addition, with the impact of COVID-19 on the academic year and the uncertainties it presented, it was envisaged that the uptake of bursaries from staff would be low

Programme 2:

Outcome	Output	Output Indicators	Planned annual target 2020/2021	Revised annual target 2020/2021	Deviation from planned target to actual target 2020/2021	Reasons for deviations for revisions to the Outputs/Output indicators/Annual targets
Support national imperatives in relation to skills development with emphasis on the construction sector	Increased number of learnerships entered	Number of unemployed learners per year entering in learnership	2000 (funded)	1000 (funded)	(1000)	During the COVID-19 global pandemic lockdown in 2020 the South African Government assisted businesses by initiating a 4-month levy payment holiday. This meant a significant loss in revenue for the CETA. Additionally, the construction industry had expected to take a longer period to get back to normal levels. The CETA anticipated a sustained reduction in levy income for longer than the four-month payment holiday, and certain targets were adjusted accordingly.

Outcome	Output	Output Indicators	Planned annual target 2020/2021	Revised annual target 2020/2021	Deviation from planned target to actual target 2020/2021	Reasons for deviations for revisions to the Outputs/Output indicators/Annual targets
Support national imperatives in relation to skills development with emphasis on the construction sector	Increased number of learnerships entered	Number of employed learners per year entering in learnership	209 (funded)	100 (funded)	(109)	During the COVID-19 global pandemic lockdown in 2020 the South African Government assisted businesses by initiating a 4-month levy payment holiday. This meant a significant loss in revenue for the CETA. Additionally, the construction industry had expected to take a longer period to get back to normal levels. The CETA anticipated a sustained reduction in levy income for longer than the four-month payment holiday, and certain targets were adjusted accordingly.
Support national imperatives in relation to skills development with emphasis on the construction sector	Increased number of skills programmes entered	Number of unemployed learners per year entering skills programmes	522 (funded)	450 (funded)	(72)	During the COVID-19 global pandemic lockdown in 2020 the South African Government assisted businesses by initiating a 4-month levy payment holiday. This meant a significant loss in revenue for the CETA. Additionally, the construction industry had expected to take a longer period to get back to normal levels. The CETA anticipated a sustained reduction in levy income for longer than the four-month payment holiday, and certain targets were adjusted accordingly.
Support national imperatives in relation to skills development with emphasis on the construction sector	Increased number of artisans entered	Number of unemployed learners per year entering artisan programmes	3469 (funded)	2500 (funded)	(969)	During the COVID-19 global pandemic lockdown in 2020 the South African Government assisted businesses by initiating a 4-month levy payment holiday. This meant a significant loss in revenue for the CETA. Additionally, the construction industry had expected to take a longer period to get back to normal levels. The CETA anticipated a sustained reduction in levy income for longer than the four-month payment holiday, and certain targets were adjusted accordingly.
Support national imperatives in relation to skills development with emphasis on the construction sector	Increased number of bursaries entered	Number of unemployed bursaries learners enrolled (continuation)	2755 (funded)	638 (funded)	(2117)	The initial target related to the Thapelo Madibeng bursary scheme intake. After verification of the numbers the CETA realized that there were a number of drop-outs on the programme and the target was therefore adjusted accordingly to align with the students who were continuing.

CORE BUSINESS REPORT

The CETA Core Business is comprised of two interlinked departments which enable it to fulfil its mandate of facilitating and funding skills development in the construction sector.

CETA Core Business Division performs the following functions:

- Conducts research and analysis of the labour market within the construction sector which in turn informs the organisation's strategy with regard to meeting the skills demand in the sector
- Undertakes skills planning in line with Labour Market Information Intelligence Programme (LMIP) and PSET system Skills Planning and Monitoring Framework
- Development, annual review and update of the Sector Skills Plan (SSP) in order to ensure that the documents speak to the current and future state of the construction industry
- Coordination and management of the ATR-WSP submission processes as well as mandatory grants claims from CETA by levy paying entities in the construction industry
- The production of the Strategic Plan and the Annual Performance Plan (APP) and Service Level Agreement (SLA) of the CETA
- The preparation and submission of quarterly progress reports on the APP and the Annual Performance Report of the CETA
- Coordinate the design, development and/or revision of specified occupational standards and qualifications and/or part qualifications according to QCTO criteria
- Accredit providers for the qualifications or part qualifications listed in the schedule in terms of criteria determined by the QCTO
- Register assessors to undertake assessment for specified qualifications or part qualifications in terms of criteria determined by the QCTO
- Maintain a comprehensive learner information database

Research, Planning and Reporting

The Research, Planning and Reporting (RP&R) department is responsible for conducting sectorial research and developing the Sector Skills Plan (SSP) that aligns to industry needs. The unit also performs analysis of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) which are submitted by employers and compiles the Quarterly Monitoring Reports (QMR) submitted to the Department of Higher Education and Training.

Research

The CETA has developed a strategic research framework which is informed by the Sector Skills Plan. The research unit reviews, maintains and manages the research agenda annually. For the year in review the following research projects / activities were conducted by the Research unit:

Review updating and alignment of all Strategic documents for the 2020/21 FY

- The research projects conducted were limited because of the challenges brought about by COVID-19 during the 2020/21 FY.

The Workplace Skills Plan (WSP) and Annual Training Report (ATR) submission to CETA

The CETA Skills Reference Data management system was opened for SDF's to submit their WSP's on the 21 January 2020 for the 2020/21 financial year. The annual stakeholder capacity-building sessions were also held as per the table below:

CETA Stakeholder Engagement Workshops

The CETA Stakeholder Engagement sessions were held in February 2020 and were aimed at providing greater clarity to the CETA stakeholders on some of its key operations, including ATR/WSP submissions and accreditation processes. Specifically it focused on the following:

- ATR/WSP Compilation and Submissions for 2020;
- The WSP Evaluation period;
- Inter-SETA Transfer period;
- Accreditation processes and amendments of the LPQD policies; and
- Qualifications Development update.

The workshop dates and venues were as follows:

Province	Workshop Date
Gauteng	4 February 2020
Western Cape	5 February 2020
KwaZulu- Natal	6 February 2020
Eastern Cape	7 February 2020
Limpopo	10 February 2020
Mpumalanga	11 February 2020
North West	12 February 2020
Free State	13 February 2020
Northern Cape	14 February 2020

Skills Development Facilitator (SDF) registration status

The CETA is required to train Skills Development Facilitators (SDFs) on the compilation and submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs). All SDF's must be appointed by the entity and registered and approved by the CETA prior to the commencement of their duties.

The table below is a statistical summary of SDFs recorded on the CETA system as at year-end:

Status	Number of SDFs
Approved	5670
Pending	607
Rejected	3537
Grand Total	9814

WSP submissions status report

During the year in review the CETA conducted stakeholder engagement and support sessions with all participating stakeholders and the results of these engagements are detailed in the table below:

Mandatory Grant Status	Large (>149)	Medium (50-149)	Small (1-49)	Grand Total
Created	10	27	127	164
Submitted	339	584	1845	2768
Grand Total	349	611	1972	2932

Breakdown of Submissions by Region

Region	Created	Submitted	Grand Total
Eastern Cape	20	252	272
Free State	3	90	93
Gauteng	61	1044	1105
KwaZulu-Natal	22	462	484
Limpopo	4	60	64
Mpumalanga	12	113	125
North West	5	69	74
Northern Cape	3	46	49
Western Cape	32	603	635
Unallocated	2	29	31
Grand Total	164	2768	2932

Performance Information Reporting

While the CETA was able to meet its quarterly submission deadlines, certain concerns were raised by AGSA concerning the quality of the data and the substantiation thereof findings of which are contained in the AG report. All in-all the CETA achieved approximately 23% of its targets. The poor performance was as a result of disruptions in learning due to COVID-19 and delays in the implementation of the CETA's discretionary grant windows in the financial year under review

Learning Pathways and Quality Development (LPQD)

CETA is accredited with the South African Qualifications Authority (SAQA) as per ETQA Regulations, 1998 and under quality assurance delegation from the Quality Council for Trades and Occupations (QCTO) to perform Education and Training Quality Assurance (ETQA) functions for construction National Qualifications Framework (NQF) qualifications. Pre-NQF construction skills development providers are accredited by the QCTO.

List of Qualifications

No.	Qual/LP ID (SAQA)	Qual Title (SAQA)	NQF Level	Credits
1.	20486	National Certificate: Surveying	4	153
2.	20487	National Certificate: Hydrographic Surveying	4	145
3.	20488	National Certificate: Photogrammetry Surveying	4	141
4.	20813	National Certificate: Construction Contracting	2	190
5.	22991	National Certificate: Refractories Installation	2	120
6.	22992	National Certificate: Refractories Masonry	3	120
7.	23675	National Certificate: Management of Building Construction Processes	5	204
8.	24133	National Certificate: Construction: Roadworks	2	120
9.	24173	National Certificate: Construction: Roadworks	3	155
10.	24194	National Certificate: Construction Material Manufacturing	4	130
11.	24196	National Certificate: Construction Material Manufacturing	3	120
12.	24198	National Certificate: Construction Material Manufacturing	2	120
13.	24273	National Certificate: Community House Building	2	124
14.	24295	National Certificate: Timber Roof Erecting	3	120
15.	24296	National Certificate: Construction: Installation of Floor Coverings	1	120
16.	48734	National Certificate: Architectural Technology	5	120
17.	48817	Further Education and Training Certification: Construction Materials Testing	4	142
18.	48961	National Certificate: Construction: Crane Operations	2	121
19.	49016	National Certificate: Construction: Concreting	3	152
20.	49017	National Certificate: Construction Materials Testing	3	120
21.	49022	National Certificate: Floor Covering Installation	2	141
22.	49058	National Certificate: Construction Materials Testing	2	120
23.	49063	National Certificate: Geographical Information Sciences	5	121
24.	49080	National Certificate: Construction: Advanced Crane Operations	3	123
25.	49081	National Certificate: Construction: Advanced Plant Operations	3	123
26.	49410	National Certificate: Construction	2	120
27.	49411	General Education and Training Certificate: Construction	1	120
28.	49602	National Certificate: Construction: Geotechnical	3	145
29.	50022	National Certificate: General Draughting	3	121
30.	57162	National Certificate: Aluminium Fabrication and Installation	2	153
31.	58247	National Certificate: Ceiling and Partitioning Installation	3	129
32.	58780	Further Education and Training Certificate: Quantity Surveying	4	145
33.	65409	National Certificate: Building and Civil Construction	3	140
34.	65709	National Certificate: Construction: Steelwork	3	120

No.	Qual/LP ID (SAQA)	Qual Title (SAQA)	NQF Level	Credits
35.	65769	National Certificate: Glazing	2	138
36.	65789	National Certificate: Construction Plant Operations	2	120
37.	65891	Further Education and Training Certificate: Construction: Plumbing	4	120
38.	65929	National Certificate: Waterproofing	2	121
39.	65949	Further Education and Training Certificate: Supervision of Construction Processes	4	181
40.	65969	General Education and Training Certificate: Human Settlements Development	1	120
41.	65989	Further Education and Training Certificate: Human Settlements Development	4	121
42.	66071	Further Education and Training Certificate: Computer Aided Drawing Office Practice (CAD)	4	131
43.	66089	National Certificate: Human Settlements Development	5	130
44.	77063	National Certificate: Construction Health and Safety	3	133
45.	83391	National Certificate: Community Development	5	147
46.	65858 / 96402	National Certificate: Hot Water System Installation	2	122
47.	73313	National Certificate: Electrical Engineering	2	140
48.	72051	National Certificate: Electrical Engineering	3	133
49.	72052	Further Education and Training Certificate: Electrical Engineering	4	130
50.	58782	Further Education and Training Certificate: Plumbing	4	160
51.	23683	National Diploma: Management of Civil Engineering Construction Processes	5	271
52.	48636	National Diploma: Structural Steelwork Detailing	5	257
53.	63589	National Diploma: Geographical Information Science	5	240
54.	65879	Diploma: Construction Technology	6	240

National Diploma Qualification Not Re-Registered

No.	Qual/LP SAQA ID	QUAL SAQA Tittle	NQF Level	Credits	QAP	Registration Date	Registration End Date	Last Date of Enrolment	Last Date for Achievement.	Comments.
1	48733	National Diploma: Architectural Technology	6	240	CETA	2018/07/01	2018/12/31	2019/12/31	2024/12/31	An appeal has been lodged with DHET for the qualification to be re-registered

Qualifications Development (status of migration from old to occupational)
The below project has not moved due to forensic audit as an outside entity is involved in the implementation.

QCTO Approved DQP Projects Started 2019/20

No.	Appointed QDF	Occupation	Qualification Title	Specialisations	Workshop Dates
01	Ntokozo Lwandle	Construction Project Manager	National Diploma: Management Civil Engineering Processes	Construction Site Manager Property Development Manager Construction Project Director Building and Construction Manager Construction Manager	QCTO Scoping & Profiling Meeting still to be confirmed
02		Quantity Surveyor	Further Education and Training Certificate: Quantity Surveying	Building Economist Electrical Specifications Writer Plumbing Estimator Construction Economist	Scoping Meeting: 13 June 2019 Profiling Workshop: 13 August 2019
03	Juliet Trebo	Fibrous Plasterer	National Certificate: Ceiling and Partioning Installation	Fibrous Plasterer Plasterboard Fixer/Stopper Dry Wall Plasterer Exterior Plasterer Ceiling Fixer	Scoping & Profiling: 22 August 2019
04		Concreter	National Certificate: Construction Concreting	Grouting/Short-cresting Assistant Concrete Worker	Scoping & Profiling planned for 23 August 2019, but had to be cancelled due to a small number of confirmations. The workshop will be rescheduled to a date that will be communicated via QCTO offices
05	Onicca Mekwa	Steel Fixer	National Certificate: Construction Steelwork	Metal Plate Blender Reinforcing Iron Worker Construction Steel Bender Concrete Reinforcing Steel Placer	TBA
06	Kedibone Matampi	Materials Scientist	National Certificate: Construction Material Manufacturing	Ceramics Scientist Fibre Technologist Polymer Scientist	The qualification has been submitted to QCTO for approval and registration by SAQA.

DQP Projects approved by the QCTO in the current FY 2021/22 Commands

Occupation	OFO Code	Curriculum Code	Specialisation	
Builder's Worker	312301	312301-000-00-00	Road Construction/ Maintenance Labourer Tiler Hand Kitchen Assembler Carpenter's Assistant	
Plasterer	642302	This is a trade qualification	N/A	The development of this qualification is in progress., it was delayed due to authorisation from QCTO.

PROJECTS REPORT

As a learner centred organisation, the mandate of the CETA remains embedded in the allocation and successful implementation of projects. The CETA has contributed positively to the learning landscape in South Africa over the past 20 years and in particular, the Construction sector.

1. Overview of the Projects Department

To ensure the necessary support is provided to achieve priorities and objectives, the Projects Department is capacitated as per the below structures:

Learner Contracting and Data Management

- Contract Management
- Data/Information Management
- Learnerships
- Short Skills Programmes

Graduate Development

- Bursaries
- Internships
- Candidacy
- Higher Education Institution (HEI/HET) Student Placement
- Technical, Vocational, Education and Training (TVET) Student Placement

Monitoring and Evaluation

- Site Audits
- Workplace Approvals
- Inductions
- Project Monitoring
- External Moderation
- Certification

Provincial Operations

- Representation of the CETA in provinces as a first point of contact
- Project implementation
- Stakeholder management and support
- Information dissemination with relevant stakeholders
- Capacity building on CETA's processes for stakeholders
- Conducting, verifications, monitoring and evaluation

Through these divisions, the CETA ensures the successful implementation of the CETA projects in conjunction with the relevant stakeholders to achieve Construction Education and Training Authority (CETA)'s strategic priorities and other special projects of national interest.

2. Management of Grants for 2020/21

The CETA noted and drastically addressed project invoicing and payment challenges that sought to disrupt training implementation.

The challenges faced by the CETA with regards to late payments are mainly because of manual processes and lack of system integration. The team is currently implementing an integrated Enterprise Resource Planning (ERP) system which will automate processes including the submission of invoices by service providers as well as alleviate challenges on document management. Furthermore, the introduction of a biometric learner attendance system will fast-track the disbursement of stipends to learners.

During the year under review, the discretionary grants policy, funding guidelines and models of the discretionary grant allocation were reviewed in line with relevant legislation. The CETA discretionary grants funding policy was revised to address and keep up with the critical areas of the National Skills Development Plan 2030.

The discretionary funding windows (among other critical focus areas) address and emphasise strong partnerships between employers, public education institutions (TVET colleges, universities, universities of technology), government departments, NGOs and private training providers to promote work integrated learning (WIL).

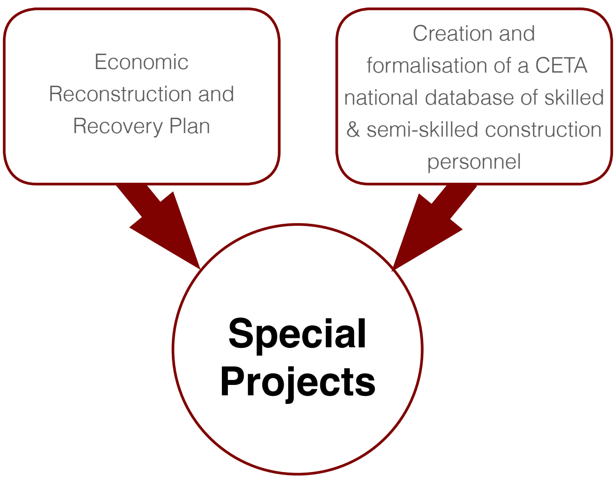
The negative impact of the COVID-19 pandemic was felt by funded entities implementing construction projects resulting in the late implementation of funded projects as a result of the unavailability of workplaces and restriction of employees to comply with the relevant Disaster Management regulations at the time.

3. Partnerships

In the implementation of skills development activities, our intent is to develop sustainable relationships based on high performance and mutual trust. Sustainable relationships form the foundation of the CETAs ability to ensure quality and create value in the development of people in the short, medium and long-term. It is thus crucial that that building strong stakeholder partnerships is key to building a reliable skills base and creating an environment for a more sustainable future.

4. Special Projects

Through strategic partnerships to advance skills development activities, the CETA entered strategic partnerships for the implementation of the below-mentioned projects:



a) The Economic Reconstruction and Recovery Plan (ERRP) was detailed by the Honourable President, Cyril Ramaphosa, in Parliament on 15 October 2020.

The CETA engaged various government departments such as Public Works, which is an instrumental department that oversees the implementation of public infrastructure projects.

A fundamental outcome of the engagement was the willingness of the departments to partner with the CETA through funding opportunities to ensure the upskill of beneficiaries within its scope of delivery to meet the priority interventions as per the ERRP.

The CETA redirected funds to priority special projects through the implementation of short skills programmes as a practicable approach to the upskilling of individuals when taking into consideration the duration in line with the availability of workplaces for practical training. The following provinces were targeted:

- Limpopo
- Mpumalanga
- Kwa-Zulu Natal
- Western Cape
- Northern Cape

Further to the Construction Education Training and Authority (CETA) Informal artisan research report published on the 11th of July 2019 in partnership with Wits University that was conducted in all nine provinces of South Africa, CETA embarked on taking further action by concluding the study through initiation of an RPL programme for the informal sector and establishing co-operatives in order to support individuals within the sector who have skills but lack formal education in order to conduct their businesses in formal structures and contribute to the South African economy.

The CETA partnered with South African Women in Construction (SAWIC), as one of the important stakeholders in the construction sector, who welcomed the opportunity to collaborate with the CETA to find ways to meaningfully integrate into the formal economy, unemployed construction workers, who have relevant experience and skills in the sector, but lack formal qualifications. The objectives of the project entailed but were not limited to:

- Developing a national database of these individuals

- Assessing their levels of competency
- Assisting beneficiaries to get certification through Recognition of Prior Learning (RPL)
- Providing the beneficiaries with top up training where necessary

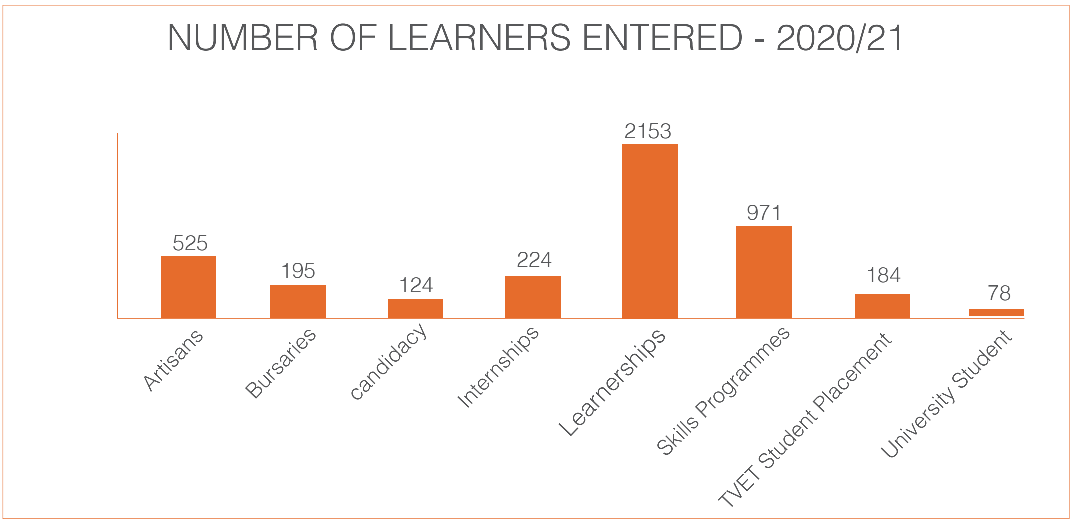
5. Summary on Performance

6. In the year under review, the CETA entered a total of 4454 learners and completed 2729 across different learning pathways as illustrated in the below diagram:

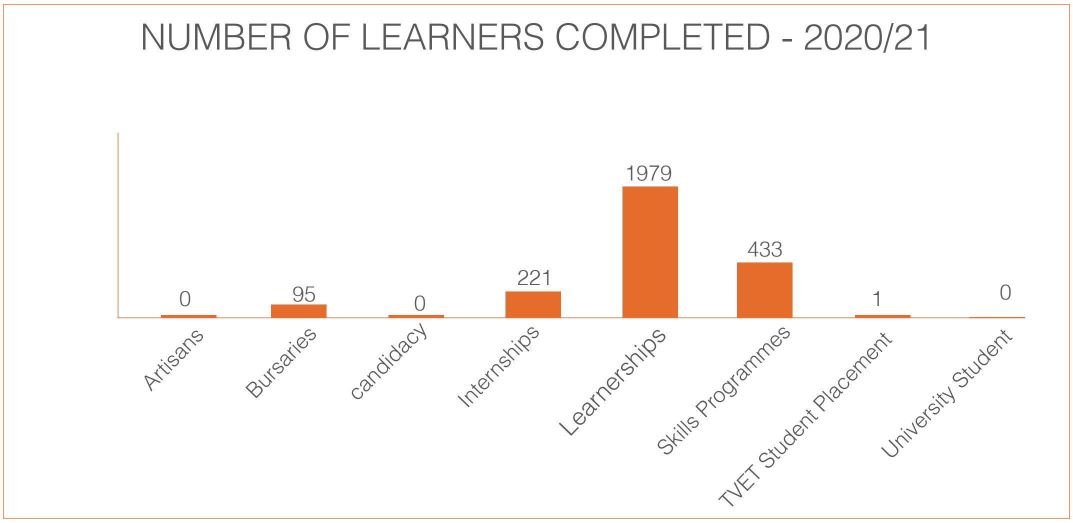
who are employed and 767 learners who are unemployed. Of the learners reported, 3387 are funded and 1067 are unfunded.

Due to the Nation-wide lockdown, the new DG window only opened in November 2020 to address shortfalls in meeting the annual targets. The appointed entity is currently evaluating applications in order to provide recommendations for approval. The intention was for these projects to be implemented by the 01st of March 2021 and thus the CETA suffered deficits in the number of learners entering and thus targets not being achieved.

The total number for ENTERED is comprised of 433 learners



The total number for COMPLETED is comprised of 151 learners that were employed and 2578 learners who were unemployed. Of those learners reported, 1908 learners were funded and 821 were unfunded.



Where completions are concerned, external moderation visits for completed projects that fall within the ambit of the CETA's quality assurance, were conducted in quarter of the financial year and thus resulted in a direct negative impact in the certification process.

The CETA is able to report its success through its International Placement Project in partnership with the Chinese Culture and International Education Exchange Centre (CCIEEC) that saw 300 learners enrolled and placed into workplaces in and around China as interns. A total of 206 interns completed their internship and returned to South Africa albeit under difficult circumstances with the COVID-19 pandemic having prevented a ceremonious welcome.

CETA Revenue Collection Analysis

Operations for the year in review were affected by the global Covid-19 pandemic which negatively impacted the economy of the entire country. To alleviate the consequential financial burden on employers, the Minister granted employers a four months' Skills Development Levy (SDL) holiday as a measure to assist the employers during the lockdown period.

During the same period, all SETAs were required to continue with the payment of stipends on all committed projects even though the country was in a hard lockdown. The table below illustrates the revenue collection during the 2019/20 and 2020/21 financial years:

Revenue Source	2019/20			2020/21		
	Estimate R'000	Actual R'000	Over/ (Under) Collection R'000	Estimate R'000	Actual R'000	Over/ (Under) C olletion R'000
Levies	676,026	615,661	(60,365)	472,712	370,130	(102,582)
Interest on Investments	71,274	132,378	61,104	81,590	57,872	(23,718)
Fines Interest and Penalties	31,025	19,646	(11,379)	36,363	17,127	(19,236)
Other revenue	-	2,404	2,404	-	1,578	1,578
Total	778,325	770,089	(8,236)	590,665	446,707	(143,958)

As shown on the table above, there was under collection from revenue sources in the 2020/21 financial year when compared to the approved budget. The reasons for this are as fol-lows:

Levies

The negative variance of R103 million in levy collection between estimate and actual is attributed to the 4 months levy break extended to levy payers and Covid-19 which resulted in a slow down in economic activity in the sector which also resulted in the shut down of many businesses

Interest on Investments

The negative variance of R23,718 million in interest earned on investments is due to lower balance in the CPD account at the bank and reduced revenue on levies which subsequently led to more withdrawals from the CPD account.

Fines, interest, and penalties

The under collection of R19,236 million is due to 4 months levy break given to the levy payers. The budget is based on an estimate of penalties and interest to be received as CETA cannot anticipate with certainty what the levy payers will incur in interest and penalties due to late payment of the skills development levies to SARS.

Other Income

This includes in-kind contribution and refunds that had not been budgeted for.

PART C

GOVERNANCE

PART C: GOVERNANCE

Risk Management

The Accounting Authority is committed in ensuring the CETA has and maintains effective, efficient and transparent systems of risk management and internal controls in accordance with the provisions of section 51(1)(a)(i) of the Public Finance Management Act and section 27.2.1 of the Treasury Regulations.

During the 2020/21 financial year, the CETA embarked on a process to enhance the risk management function . Amongst key outputs of that process; was to assist with the assessment of the risk management maturity of the organization in addition to updating the existing risk management policy and strategy, provision of training and awareness as well as the facilitation of the risk assessment process.

The risk management policy and strategy were updated and aligned with to National Treasury Risk Management Guidelines, King IV Reporting on Corporate Governance and other International Standards such as COSO Framework and ISO 31000 and outlines, amongst others, the risk management methodology and approach, the risk appetite and tolerance, risk management process and risk responsibilities. The policy and strategy were duly approved for immediate implementation.

The CETA has undertaken a thorough assessment of its strategic and operational risks by consulting with internal stakeholders and considering the current industry risks as well as other major events in the country. Through this process mitigation strategies were developed to strengthen the internal controls and the progress thereto reported quarterly to the Audit and Risk Committee, which provides independent oversight and monitors the effectiveness of the risk management systems.

Going forward, the CETA shall continue to ensure further improvement to the risk management function through:

- Integration of risk management processes to the organizational day to day functions,
- Amendment of employee job profiles to include risk management performance indicators, and
- Procurement of risk management tool to facilitate efficient monitoring of key risk indicators and advanced reporting.

Fraud and Anti-Corruption

The Accounting Authority recognises that fraud represents a significant potential risk to the CETA's assets, service delivery efficiency and reputation. The CETA does not tolerate fraudulent or corrupt activities, whether internal or external to the Institution, and has committed to vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

The approved fraud prevention policy refers to several anti-fraud programmes implemented by the organisation such as:

- Recruitment policy that includes pre-employment screening,
- Implementation of a code of conduct including declaration of interests, and
- The approved whistle-blowing policy that provides a platform for anonymous, investigation processes and protected reporting of suspected fraudulent activities. For the period under review, the Administration has instituted several investigations as consequence of the mandate as per the appointment gazette. These investigations are envisaged to be concluded in the 2021/22 financial year and in line with the extended period of the CETA administration.

Internal Control Unit

The internal controls unit is embedded within the Compliance and Risk function at the CETA. The CETA follows a risk-based approach in ensuring the effective identification, development, and monitoring of preventative and detective internal controls. Through a comprehensive risk assessment process, management identifies key risk exposures, existing internal controls and further develops additional controls necessary to mitigate the risks identified.

The Internal Audit function assists the organization with an independent evaluation of control effectiveness and provides recommendations for addressing deficiencies. The results of which are communicated and monitored by the Audit and Risk Committee quarterly.

Compliance with Laws and Regulations

To ensure continued compliance with laws and regulations relating and applicable to CETA, the organisation has developed a compliance calendar to track and centralize important dates and deadlines associated with critical regulations and reporting obligations. The calendar is reviewed and updated annually, and regularly monitored.

Compliance management is the responsibility of management and has been embedded on the organisations' day to day activities including policies, procedures and performance agreements. Developments in the compliance management system are evidenced by the reduction in irregular expenditure however further improvements are still necessary for the elimination of the organization's non-compliance with the PFMA and National Treasury Regulations and Practice Notes; as per year under review external audit findings.

Minimising Conflict Of Interest The CETA has an approved conflict of interest policy that is aligned to the Public Service Regulations. The policy outlines applicability, responsibilities, and guidelines on managing interests that may conflict with those of the CETA.

All CETA governance structure committee members and employees are required to declare conflict of interest on appointment and thereafter on annual basis. Furthermore, declaration of conflict of interest is a standing agenda item for the CETA governance structure committee and all bid committee meetings with the members required to complete a declaration of interests form to register their financial and other interests for every meeting.

In the event of disclosure of interest, action is taken to eliminate the conflict or otherwise safeguard the interest of CETA and any finding of conflict of interest will be subject to CETA disciplinary procedures.

Code of Conduct

The primary purpose of the CETA code of conduct is to promote a culture of ethics, honesty and professionalism within the organization and among its employees and stakeholders. New employees are inducted and provided with a copy of the policy to ensure compliance.

Any violation of any part of the code of conduct may be cause for appropriate disciplinary action in terms of the Disciplinary Policy and procedures.

Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2021.

Audit and Risk Committee Responsibility The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation

27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- Ethics Management
- Supply Chain Management
- Audit of Performance Information
- Discretionary grant applications
- Review of Commitment Register
- Review of Annual Financial Statements before submission to AGSA
- Follow up of prior year internal and external audit findings

The following were areas of concern:

- Compliance to the approved Internal Audit Plan and progress in attending to all audit work
- Progress on the review of Annual Financial Statements before submission to AGSA.
- In-Year Management and Monthly/Quarterly Report
- The public entity has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

- Reviewed and discussed with the Auditor General the audited financial statements to be included in the integrated Annual report
- Reviewed significant judgements and accounting policies adopted in the preparation of the financial statements
- Reviewed adjustments as presented by Management resulting from the audit
- Reviewed the Auditor General's management letter and management's response thereto
- Reviewed and discussed the Auditor General's report

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- Records Management
- Reporting on predetermined objectives

The Audit and Risk Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Mashukudu James Maboa
Chairperson of the Audit Committee

PART D

HUMAN RESOURCES MANAGEMENT REPORT

PART D: HUMAN RESOURCE MANAGEMENT REPORT

The CETA Human Resources Department (HR) provides overall direction on Human Resource Management issues and administrative support Functions related to the management of employees for the CETA.

The Department endeavours to be a strategic business partner to the CETA by providing Human Resources programs that attract, develop, retain, and engage a skilled and diverse workforce, thereby positioning the CETA as an employer of choice.

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme/activity/objective.

The CETA has commenced an HR consultancy exercise during the FY2020/21 which will address the following areas:

- Revision of policies and practices
- Job evaluation
- Formulation and implementation strategies
- Design an organizational structure aligns with the CETA Strategic Plan and Annual Performance Plan

Programme/ activity/objective	Total Expenditure for the entity (R'000)	Permanent Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Employee Cost	R825 689	R110 063	13.31%	106	R1 038

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	R3 724	1	R3 724
Senior Management	R15 004	11	R1 364
Professional qualified	R24 006	23	R1 043
Skilled	R31 459	30	R1 048
Semi-skilled	R31 338	27	R1 119
Unskilled	R7 881	14	R 606
Total	R110 063	106	R1 038

The variance between the amount of R135,016 millions (per note 8 and 12.2 amounting to R61,212 millions and R73,804 millions respectively) and R110,063 millions is due to the employee related company contributions and remuneration for the administration team.

Performance Rewards

Programme/activity/ objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	R0	R0	0%
Senior Management	R0	R0	0%
Professional qualified	R0	R0	0%
Skilled	R0	R0	0%
Semi-skilled	R0	R0	0%
Unskilled	R0	R0	0%

As a result of the ongoing OD Process the organisation's performance management processes were suspended. The organisation's structure, job profiles and performance framework are being re-evaluated. There were no Performance rewards paid during the Financial Year.

Employment and vacancies

Programme/ activity/ objective	2020/2021 No. of Employees	2020/2021 Approved Posts	2020/2021 Approved Posts	2020/2021 Vacancies	% of vacancies
Top Management	1	6	1	5	83.03%
Senior Management	11	14	11	3	21.32%
Professional qualified	23	37	23	14	37.73%
Skilled	30	55	30	25	45.34%
Semi-skilled	27	48	27	21	43.54%
Unskilled	14	15	14	1	6.66%
Total	106	175	106	69	39.43%

There are currently no recruitment and selection processes underway, due to the ongoing HR consultancy exercise.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	12	0	1	11
Professional qualified	23	0	0	23
Skilled	31	0	1	30
Semi-skilled	28	0	0	28
Unskilled	14	0	1	13
Total	109	0	3	106

Reasons for staff leaving

Reason	Number
Death	0
Resignation	0
Dismissal	1
Retirement	2
Ill health	0
Expiry of contract	0
Other	0
Total	3

Labour Relations: Misconduct and disciplinary action

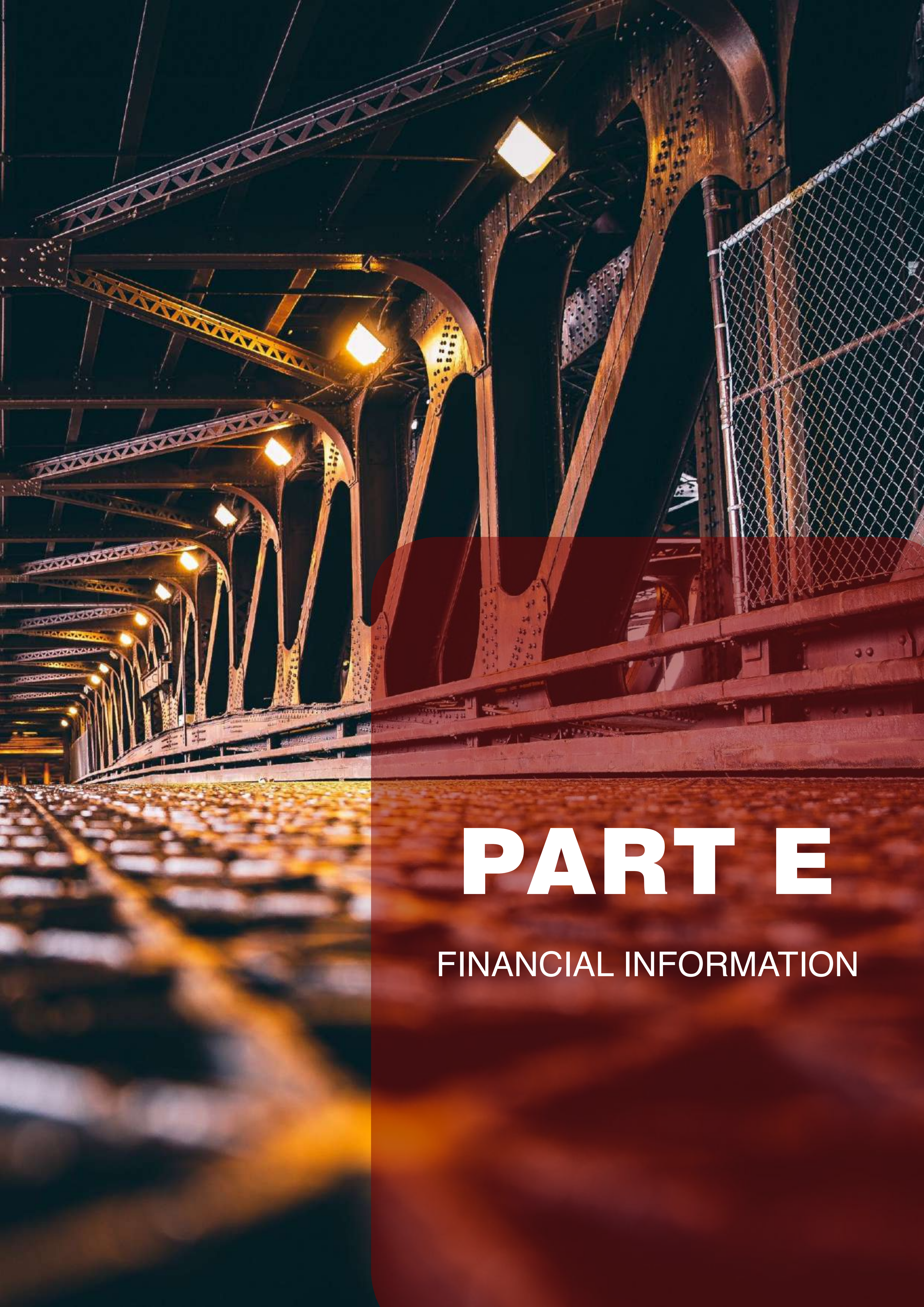
Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	1

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	5	5	1	1	0	0	0	0
Professional qualified	9	9	0	0	0	0	0	0
Skilled	10	10	0	0	0	0	0	0
Semi-skilled	8	8	1	1	0	0	0	0
Unskilled	2	2	0	0	0	0	0	0
Total	34	34	2	2	0	0	0	0

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	3	1	1	1	1	0	0
Professional qualified	13	13	0	0	1	1	0	0
Skilled	19	19	1	1	0	0	0	0
Semi-skilled	15	15	2	2	0	0	1	1
Unskilled	12	12	0	0	0	0	0	0
Total	63	63	4	4	2	2	1	1

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	1	1	2	2
Unskilled	0	0	0	0
Total	1	1	2	2



PART E

FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on the Construction Education and Training Authority

Report on the audit of the financial statements Opinion

1. I have audited the financial statements of the Construction Education and Training Authority set -out on pages 127 to 193, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, 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 Construction Education and Training Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities 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 matters

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

Restatement of corresponding figures

7. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2020 w e re restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Irregular expenditure

8. As disclosed in note 26 to the financial statements, the public entity incurred irregular expenditure of R107,4 million because it did not follow a proper procurement process and did not comply with other legislations.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

10. 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. Auditor-general's responsibilities for the audit of the financial statements.

11. 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.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. Report on the audit of the annual performance report Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance repor
Programme 3-learning programmes and projects	34-69

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 3 - learning programmes and projects
Number of Learners RPLed (assessed) through recognition of prior learning

18. I was unable to obtain sufficient appropriate audit evidence for the achievement of 15 learners reported against target of 1 396 learners in the annual performance report due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Other matters

I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 23 to 83 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3 - learning programmes and projects. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

22. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.

24. Material misstatements of liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

25. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure disclosed in the financial statements was caused by project administration costs paid by the public entity that exceeded the 7,5% threshold of the total discretionary grants expenditure, in contravention of the requirements of section 9 of the Sectoral Education and Training Authority (SETA) Regulations at 31 March 2021.

Procurement and contract management

26. Some of the contracts participated into, the terms and conditions are not the same in accordance with treasury regulation 16A6.6.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information 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.

28. My opinion on the.fina ncial statements and findings on the reported performance information and 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.

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information 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.

30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there

is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

32. There was inadequate oversight over the financial reporting, performance reporting and compliance with key legislation, as material misstatements were identified on the reports submitted for audit.

33. The reported achievement in the annual performance report materially differed from the supporting schedule provided for the achievements reported. This was mainly due to inadequate reviews of the annual performance report and the supporting documentation.

34. The public entity's compliance monitoring controls were not effective in preventing noncompliance with applicable laws and regulations.

Other reports

35. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

36. An independent consultant investigated allegations of financial misconduct and improper conduct in supply chain management at the request of the public entity. These proceedings were in progress at the date of this auditor's report.

Auditor-General.

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Pretoria

18 August 2021

Annexure - Auditor-general's responsibility for the audit

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

Financial statements

1. 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 by the board of directors, which constitutes the accounting authority
   - conclude on the appropriateness of the accounting authority's 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 Construction Education and Training Authority to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

2. 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.

3. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with tt,em 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.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Business address	52-54 on 14th Road Noordwyk Midrand 1687
Postal address	P.O. Box 1955 Halfway House Midrand 1685
Bankers	Standard Bank Limited South African Reserve Bank
Auditors	The Auditor General of South Africa
Level of assurance	These annual financial statements have been audited in compliancewith the applicable requirements of the Public Finance ManagementAct 1 of 1999.

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The reports and statements set out below comprise the annual financial statements presented to the Administrator:

ADMINISTRATOR'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report.

It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements. The Accounting Authority are 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 annual financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement.

The Administrator has reviewed the entity's cash flow forecast for the year ended to 31 March 2022 and in light of this review and current financial position, he is satisfied that the entity has assess to adequate resources to continue to operate for the foreseeable future.

The external auditors are responsible for expressing an independent opinion on the financial statements of Construction Education and Training Authority (CETA).

The annual financial statements set out on pages 132 to 158 were approved by the Accounting Authority on 31 May 2021 and were signed on its behalf by:

Mr Sabelo Wasa
CETA Administrator

Statement of Financial Position
For the year ended 31 March 2021

	Note(s)	2021 R '000	2020 Restated* R '000
Assets			
Current Assets			
Cash and cash equivalents	13	1,364,321	1,687,556
Receivables from exchange transactions	15	2,634	322
Receivables from non-exchange transactions	14	15,275	46,728
Consumables	16	5,730	5,921
		1,387,960	**1,740,527**
Non-Current Assets			
Property, plant and equipment	17	9,101	12,776
Intangible assets	18	12,487	866
		21,588	**13,642**
Total Assets		**1,409,548**	**1,754,169**
Liabilities			
Current Liabilities			
Payables from exchange transactions	19	22,547	9,047
Payables from non-exchange transactions	20	155,652	122,924
Provisions	21	14,960	26,837
		193,159	**158,808**
Total Liabilities		**193,159**	**158,808**
Net Assets		**1,216,389**	**1,595,361**
Administration grant reserve		21,588	13,642
Employer grant reserve		1,199	1,476
Discretional grant reserve		1,193,602	1,580,243
Total Net Assets		**1,216,389**	**1,595,361**

Statement of Financial Performance
For the year ended 31 March 2021

	Note(s)	2021 R '000	2020 Restated* R '000
Revenue			
Revenue from exchange transactions			
Other income	6	225	1,066
Interest received	7	57,872	132,378
Total revenue from exchange transactions		**58,097**	**133,444**
Revenue from non-exchange transactions			
Transfer revenue			
Levies	4	370,130	615,661
Fines, penalties and forfeits	5	17,127	19,646
In-Kind contributions – facilities	25	1,353	1,338
Total revenue from non-exchange transactions		**388,610**	**636,645**
Total revenue		**446,707**	**770,089**
Expenditure			
Administration expenses	10	(121,967)	(95,355)
Employer grant expenses	12	(41,921)	(85,918)
Discretionary grant expenses	12	(661,801)	(1,093,335)
Total expenditure		**(825,689)**	**(1,274,608)**
Deficit for the year		**(378,982)**	**(504,519)**

	2021	2020 Restated*
	R '000	R '000

Statement of Changes in Net Assets
For the year ended 31 March 2021

	Administration Reserves	Employer Grant Reserves	Discretionary Grant Reserves	Total Net Assets
	R '000	R '000	R '000	R '000
Opening balance as previously reported	**10,761**	**506**	**2,056,504**	**2,067,771**
Adjustments				
Correction of errors - DG Provision (Note 24)	-	-	24,502	24,502
Correction of error - Assets Review of Useful life (Note 24)	-	-	7,607	7,607
Balance at 01 April 2019 as restated*	**10,761**	**506**	**2,088,613**	**2,099,880**
Changes in net assets				
Net deficit for the year	(11,312)	58,873	(552,080)	(504,519)
Transfer to reserves	14,193	(57,903)	43,710	-
Total changes	2,881	970	(508,370)	(504,519)
Restated* Balance at 01 April 2020	**13,642**	**1,476**	**1,580,243**	**1,595,361**
Changes in net assets				
Net Deficit for the period	(69,425)	49,446	(359,003)	(378,982)
Transfer to Reserves	77,371	(49,723)	(27,638)	-
Total changes	7,946	(277)	(386,641)	(378,982)
Balance at 31 March 2021	**21,588**	**1,199**	**1,193,602**	**1,216,389**

	2021	2020 Restated*
	R '000	R '000

Cash Flow Statement
For the year ended 31 March 2021

	Note(s)	2021 R '000	2020 Restated* R'000
Cash flows from operating activities			
Receipts			
Grants		381,050	637,327
Interest income		57,872	132,378
Other receipts		-	1,066
		438,922	770,771
Payments			
Employee costs		(133,577)	(135,257)
Suppliers and stakeholders		(615,702)	(1,196,242)
		(749,279)	(1,331,499)
Net cash flows from operating activities	22	(310,357)	(560,728)
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(793)	(768)
Proceeds from sale of property, plant and equipment	17	2	-
Purchase of other intangible assets	18	(12,087)	(401)
Net cash flows from investing activities		(12,878)	(1,169)
Net increase/(decrease) in cash and cash equivalents		(323,235)	(561,897)
Cash and cash equivalents at the beginning of the year		1,687,556	2,249,453
Cash and cash equivalents at the end of the year	13	1,364,321	1,687,556

	2021	2020 Restated*
	R '000	R '000

Statement of Comparison of Budget and Actual Amounts

For the year ended 31 March 2020

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Differenrence between final budget and actual	Notes
	R '000	R '000	R '000	R '000	R '000	
Statement of Financial Performance						
Revenue						
Revenue from exchangetransactions						
Other income	-	264,508	264,508	225	(264,283)	
Interest received - CPD	71,274	10,316	81,590	57,872	(23,718)	33.1
Total revenue from exchange transactions	71,274	274,824	346,098	58,097	(288,001)	
Revenue from non-exchangetransactions						
Transfer revenue						
In-Kind Contributions - Facilities	-	-	-	1,353	1,353	
Levies	637,959	(165,247)	472,712	370,130	(102,582)	33.2
Fines, Penalties and Forfeits	31,025	5,338	36,363	17,127	(19,236)	33.3
Total revenue from non-exchange transactions	668,984	(159,909)	509,075	388,610	(120,465)	
Total revenue	740,258	114,915	855,173	446,707	(408,466)	
Expenditure						
Administration Expenses	(86,615)	(60,072)	(146,687)	(121,967)	24,720	33.4
Employer grant expenses	(158,660)	82,207	(76,453)	(41,921)	34,532	33.5
Discretionary grant expenses	(494,983)	(137,050)	(632,033)	(661,801)	(29,768)	33.6
Total expenditure	(740,258)	(114,915)	(855,173)	(825,689)	29,484	
Deficit for the period	-	-	-	(378,982)	(378,982)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(378,982)	(378,982)	

	2021	2020 Restated*
	R '000	R '000

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

Amounts are presented in round thousands unless otherwise stated. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

1.1. Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2. Going concern assumption

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

1.3. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.4. Skills Development Levy: Income

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

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) as amended, registered member companies of the CETA pay a skills development levy of 1% of their total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education, Science and Innovation (DHET). Companies with an annual payroll cost below R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

80% of Skills Development Levies are paid to CETA from SARS through DHET (net of the 20% contribution to the National Skills Fund (NSF)). Revenue is adjusted for transfers of employers between 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.

Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to CETA and these benefits can be measured reliably. This occurs when DHET makes an allocation to CETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

	2021	2020 Restated*
	R '000	R '000

When a new employer transfers to CETA, levies received from the former SETA are recognised as revenue and allocated to the respective category to maintain original identity.

1.5. Skills Development Levy : Penalties and Interest

Interest and penalties are levied by SARS in terms of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) as amended. Penalties and interest are recognised as revenue when they become receivable and an allocation has been made by the South African Revenue Services.

1.6. Employer grants and Discretionary grants

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

Grants are equivalent to 20% of the total levies contributed by employers during the corresponding financial period.
Discretionary grants and project expenses

CETA may, out of any surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers, and other associations or organisations when the conditions have been met. The criteria for allocating funds are approved by the CETA Board. Where necessary, interested employers, associations or organisations may be required to complete and submit a funding application for consideration and approval by the SETA.

Project expenses comprise; costs that relate directly to the specific contract; costs that are attributable to contract activity in general and can be allocated to the project; and other costs as are specifically chargeable to CETA under the terms of the contract. Costs are allocated using methods that are systematic and rationale and are applied consistently to all costs of a similar nature.

Discretionary grants and project expenses are recognised in the period in which they are incurred.

1.7. Revenue adjustments by SARS

CETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected this may result in grants that have been paid to affected employers being in excess of the amount CETA would have granted to those employers had all information been available at the time of paying those grants. A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant over payment, net of bad debts and allowance for irrecoverable amounts.

1.8. Conditional Grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the CETA has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met, a liability is recognised.

1.9. Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the CETA as a liability until the related eligible special project expenses are incurred. The liability is reduced by any project expenditure incurred and recognised as revenue. Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial

	2021	2020 Restated*
	R '000	R '000

statements of the CETA, as the CETA controls such assets for the duration of the project. Such assets may however only be disposed of in terms of agreement and specific written instructions by the NSF.

1.10. Inter- SETA Transfers

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for skills development levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as inter-SETA transfers. The amount of the inter-SETA transfers is calculated according to the most recent Standard Operating Procedure as issued by the Department of Higher Education and Training.

1.11. Discretionary grant

The funding for discretionary grants and projects stems from the 49.5% of the total levies paid by the employers, levy grants that are not claimed by employers, the surplus of administration levies not utilised, investment income, and other income generated by the CETA.

CETA may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut - off period. The grant payable and the related expenditure are recognised when the application has been approved, implementation has taken place and the conditions have been met, creating an obligation to pay. Up to a maximum of 7.5% of the allocated discretionary grant amount shall be budgeted to administer the project by the employer or training provider.

- Discretionary grant support costs
- The 7.5% limit shall not be applicable to the following:
- Consulting to support CETA strategic goals
- Expenditure incurred as a result of support to conceptualisation, implementation and conclusion Launches
- Legal costs
- Salaries of core business staff Travel and accommodation

1.12. Interest income

Interest income is recognised in surplus or deficit using the effective interest rate method. Interest is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.13. Allowance for impairment of receivables from exchange and non-exchange transactions

Receivables from exchange and non-exchange transactions are assessed for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, judgements are made as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the receivables. The impairment is measured as the difference between the receivables carrying amount and the present value of the estimated future cash flows.

1.14. Project expenditure

Project expenditure comprise:

- Costs that relate directly to the specific contract;
- Costs that are attributable to contract activity in general and can be allocated to the project; and
- Such other costs as are specifically chargeable to CETA 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

	2021	2020 Restated*
	R '000	R '000

similar characteristics. Project costs are recognised as expenses in the period the invoice is received and approved. Receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

At the end of the financial period any unspent or uncommitted funds must be transferred to the National Skills Fund Authority with an allowance of 5% of the uncommitted funds that will be carried over to the next financial year, except where a request to carry forward the uncommitted funds has been lodged as per the Grant Regulations requirements. The unspent funds are determined by taking the surplus as stated in the Statement of Financial Performance for the financial period under review less the commitments for training of learners in programmes funded from discretionary funds.

Mandatory grants

The grants payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the prescribed cut off period as the payment then becomes probable. The grant is equivalent of 20% of the total levies paid by the employer during the corresponding financial period for the skills implementation grant respectively.

Administrative expenditure

The funding for administrative expenditure is derived from 10.5% of the total levies paid by the employers. Administration expenses consist of the operational expenditure incurred by the CETA in delivering its mandate.

1.15. Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.16. Critical accounting judgements and key sources of estimation

In the application of CETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if the revision affects both current and future perio

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in the Provisions note.

Useful lives of Property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

	2021	2020 Restated*
	R '000	R '000

Critical accounting judgements and key sources of estimation (continued)Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.17. Project expenditure

Project expenditure comprise:

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

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

Project costs are recognised as expenses in the period the invoice is received and approved. 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 in terms of the contract.

At the end of the financial period any unspent or uncommitted funds must be transferred to the National Skills Fund Authority with an allowance of 5% of the uncommitted funds that will be carried over to the next financial year, except where a request to carry forward the uncommitted funds has been lodged as per the Grant Regulations requirements. The unspent funds are determined by taking the surplus as stated in the Statement of Financial Performance for the financial period under review less the commitments for training of learners in programmes funded from discretionary funds.

Mandatory grants

The grants payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the prescribed cut off period as the payment then becomes probable. The grant is equivalent of 20% of the total levies paid by the employer during the corresponding financial period for the skills implementation grant respectively.

Administrative expenditure

The funding for administrative expenditure is derived from 10.5% of the total levies paid by the employers. Administration expenses consist of the operational expenditure incurred by the CETA in delivering its mandate

1.18. Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services or for administrative purposes, and are expected to be used during more than one period.

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.The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.
Property, plant and equipment which has a cost price less than R 2 000 are expensed and not capitalised. Where an asset

	2021	2020 Restated*
	R '000	R '000

is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition. 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.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment.

Subsequent measurement

Building machinery, furniture and fixtures, motor vehicle, office equipment, computer equipment and computer network are carried at cost less accumulated depreciation and any impairment losses.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. The depreciation of assets commences on the date that the asset is available for use, even if it is not yet in use.

Depreciation is calculated and provided for on an annual basis. If the residual value of an asset is at least equal to its carrying amount, depreciation amount is zero. Depreciation of an asset ceases at the date that the asset is derecognised. Any gains or losses arising from de-recognition of an asset is included in profit or loss when the item is derecognised. Useful lives are reviewed on an annual basis

Residual values

Residual values of other assets are determined by considering the second hand values of similar items which are already at the age the asset is expected to be at the end of its useful life. This would be applicable especially to vehicles. CETA reviews the residual values on an annual basis. The review revealed that the residual values used in the current or prior periods were still valid. No significant variances were identified.

De-recognition

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal (including disposal through a non-exchange transaction) or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognised.

Item	Depreciation method	Average useful life
Plant and machinery	Straight-line	2-22 years
Furniture and fixtures	Straight-line	3-24 years
Motor vehicles	Straight-line	4-10 years
Office equipment	Straight-line	3-23 years
IT equipment	Straight-line	2-20 years

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

	2021	2020 Restated*
	R '000	R '000

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

1.19. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.Intangible assets are amortised on the straight line basis over their expected useful lives to their estimated residual value. Impairment losses are recognised when the carrying amount of an intangible asset exceeds its estimated recoverable amount. Such intangible asset is written down immediately to its recoverable amount. Impairment losses are recognised in surplus or deficit.

The amortisation period and amortisation method are reviewed at each reporting date.The effect of any change in these estimates is accounted for prospectively. Where intangible assets are disposed, the gain or loss on disposal is determined as the difference between disposal proceeds and the carrying amount on date of disposal.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values.

Item	Depreciation method	Average useful life
Computer software	Straight-line	3-14 years

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 is the difference between the net disposal proceeds, if any and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.20. Useful lives of property, plant and equipment and intangible asset

CETA reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period. Refer to notes 16 and 17 for the carrying values of property, plant and equipment and intangible assets.

1.21. Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Recognition

The entity recognises statutory receivables using the policy on Revenue from non-exchange transactions

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. The cost method is the method

	2021	2020 Restated*
	R '000	R '000

used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

The transaction amount (for purposes of the Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- ✓ Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- ✓ It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- ✓ A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- ✓ Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

1.22. Taxation

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

Value Added Taxation (VAT)

The Revenue Laws Amendment Act, (Act No.45 of 2003) commenced on 22 December 2003. Previously the definition of enterprise placed Sectorial Education and Training Authorities (SETA) in Schedule 3A within the scope of VAT. The Amendment Act, however has amended this definition of enterprise and effectively places the public entity outside the scope of VAT; effective 1 April 2005.

1.23. Consumables

Consumables are initially measured at cost except where consumables are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently consumables are measured at the lower of cost and net realisable value.

Consumables are measured at the lower of cost and current replacement cost where they are held for;

- ✓ distribution at no charge or for a nominal charge; or
- ✓ consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of consumables comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the consumables to their present location and condition.

	2021	2020 Restated*
	R '000	R '000

The cost of consumables of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of consumables is assigned using the formula. The same cost formula is used for all consumables having a similar nature and use to the entity.

When consumables are sold, the carrying amounts of those consumables are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of consumables to net realisable value or current replacement cost and all losses of consumables are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of consumables, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of consumables recognised as an expense in the period in which the reversal occurs.

Consumables and inventories

Consumables are initially measured at cost on acquisition date and subsequently measured at the lower of cost and current replacement cost. Consumables are recognised as assets at acquisition date and subsequently recognised in surplus or deficit as they are consumed

1.24. Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- ✓ the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- ✓ the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- ✓ an entity's decision to terminate an employee's employment before the normal retirement date; or
- ✓ an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.
Composite social security programmes are established by legislation and operate as multi-employer plans to provide post- employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

	2021	2020 Restated*
	R '000	R '000

Short-term employee benefits

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

Short-term employee benefits include items such as:

- ✓ wages, salaries and social security contributions;
- ✓ short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- ✓ bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- ✓ non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- ✓ as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- ✓ as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

1.25. Employer grant and Discretionary grant

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

Employer grants (Mandatory grants)

Grants are equivalent to 20% of the total levies contributed by employers during the corresponding financial period.

Discretionary grants and project expenses

CETA may, out of any surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers, and other associations or organisations when the conditions have been met. The criteria for allocating funds are approved by the CETA Board. Where necessary, interested employers, associations or organisations may be required to complete and submit a funding application for consideration and approval by the SETA.

Discretionary grants and project expenses are recognised in the period in which they are incurred.

1.26. Discretionery grant

The funding for discretionary grants and projects stems from the 49.5% of the total levies paid by the employers, levy grants that are not claimed by employers, the surplus of administration levies not utilised, investment income, and other income generated by the CETA.

	2021	2020 Restated*
	R '000	R '000

CETA may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut - off period. The grant payable and the related expenditure are recognised when the application has been approved, implementation has taken place and the conditions have been met, creating an obligation to pay. Up to a maximum of 7.5% of the allocated discretionary grant amount shall be budgeted to administer the project by the employer or training provider.

1.27. Provisions and contingencies

Provisions are recognised when:

- ✓ the entity 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 tosettle 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 atthe 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 entity 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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- ✓ has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- ✓ has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

	2021	2020 Restated*
	R '000	R '000

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- ✓ necessarily entailed by the restructuring; and
- ✓ not associated with the ongoing activities of the entity

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- ✓ the amount that would be recognised as a provision; and
- ✓ the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 30.

1.28. Commitments

Items are classified as commitments when CETA has committed itself to future transactions that will normally result in the outflow of cash.

Unrecognised contractual commitments are disclosed in the annual financial statements.

Commitments mean that contractual obligations exist at the end of the financial year that will oblige CETA to make apayment or payments in the ensuing year. A contractual obligation means there is an agreement (written) with specific terms between CETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which CETA will be obliged to make payment against the discretionary grant.

1.29. Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to CETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The asset and the corresponding revenue are measured at fair value on initial recognition.

The following are included in the revenue from exchange transactions:

- ✓ Other income
- ✓ Interest income

1.30. Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

	2021	2020 Restated*
	R ‘000	R ‘000

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation. Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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.

Gifts and donations, including goods in-kind

Non-exchange revenue transactions result in resources being received by CETA, usually in accordance with a binding arrangement. When CETA 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 CETA will receive economic benefits or service potential and a reliable estimate of resources transferred can be made. Where the resources transferred to CETA are subject to the fulfilment of specific conditions, an asset and a corresponding liability are recognised. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured at fair value on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education, Science and Innovation.

	2021	2020 Restated*
	R '000	R '000

The following are included in the revenue from non - exchange transactions:

- ✓ Levies
- ✓ Fines, penalties and forfeits
- ✓ In kind contributions - facilities

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.31. Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.32. Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- ✓ foreign currency monetary items are translated using the closing rate;
- ✓ non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- ✓ non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.33. Irregular expenditure

Irregular expenditure is expenditure incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including –

- ✓ the PFMA as amended;
- ✓ the Skills Development Act (the Act), 1998 (Act No. 97 of 1998) as amended

	2021	2020 Restated*
	R '000	R '000

Irregular expenditure is recognised in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense. 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 is recorded in the irregular expenditure register and disclosed in the notes to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is awaited at year end is recorded in the irregular expenditure register and disclosed as irregular expenditure awaiting condonement in the notes to the financial statements.

Where irregular expenditure was incurred in a previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements are updated with the amount condoned during the year under review.

Irregular expenditure incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, an account receivable is recognised. Thereafter, steps are taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose all amounts written off in the relevant note to the financial statements.

If the irregular expenditure has not been condoned and no person is held liable, the expenditure related remains in the irregular expenditure register and is disclosed in the notes to the financial statements.

1.34. Segment information

A segment is an activity of an entity:

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

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

1.35. Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.An asset arising from development 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.

1.36. Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

	2021	2020 Restated*
	R '000	R '000

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2020 to 31/03/2022.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.37. Related parties

Members of the Accounting Authority and employees are required to disclose their interest in any contracts that CETA is entering into with an outside party. Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another. Transactions with related parties are supposed to occur under terms and conditions that are no less favourable than those available under similar arm's length dealings.

At the end of the year, the list of all 21 Seta's obtains and confirmation of balances is requested from all the SETAs. A declaration of interest by employees is obtained by HR. The comparison between the related party register and the declarations obtained is perfomed to determine whether there are any declarations that have been omitted from the related party register and discrepancies followed up when identified. Once the comparison has been done, the related parties identified are compared to their general ledger and payments made to the entities which the parties are affiliated with to identify all the transactions that have been entered into with the parties.

The nature of the related party, the name of the related party and the transaction amount with the related party discloses in the notes.

1.38. In-Kind Contributions

In-Kind contributions are recognised at fair value and are equally recorded as revenue and expenditure for donated use of services, facilities and other assets. Donated assets are recorded as current or fixed assets.

1.39. Financial instruments

Financial instruments are broadly defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

Financial assets and financial liabilities are initially recognised at fair value. Where an entity subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an entity can however designate such an instrument to be measured at fair value

An entity cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

	2021	2020 Restated*
	R '000	R '000

GRAP 104 requires extensive disclosures on the significance of financial instruments for an entity's statement of financial position and performance, as well as the nature and extent of the risks that an entity is exposed to as a result of its financial instruments. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

The effective interest method is a method of calculating the amortised cost of a financial asset or a Financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the CETA shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

A financial asset is cash, residual interest of another entity, a contractual right to receive cash or another financial asset from another entity exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the CETA.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the CETA.

Classification

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

Class	Category
Receivables from non-exchange transactions	Financial assets measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.
Receivables from exchange transactions	Financial assets measured at initial recognition value, and are subsequently measured at amortised cost using the effective interest rate method.
Cash and cash equivalents	Financial assets which comprise of cash on hand and deposits, and other short-term highly liquid investments that are readily convertible to a known changes in value.

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

Class	Category
Provisions	Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost.
Payables from exchange transactions	Financial assets measured at initial recognition value, and are subsequently measured at amortised cost using the effective interest rate method.
Payables from non-exchange transactions	Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost

Offsetting

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

	2021	2020 Restated*
	R '000	R '000

1.40. Prior year errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery by:

- ✓ Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- ✓ If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period presented.

1.41. Operating leases - lessee

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 is recognised as an operating lease asset or liability.

When an operating lease is terminated before the lease period has expired, any payment made to the lessor as a penalty is recognized as an expense in the period in which termination occurs.

1.42. Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act 97 of 1998) as amended as follows:

- ✓ Administration reserve
- ✓ Employer grant reserve
- ✓ Discretionary reserve
- ✓ Unappropriated surplus/deficit.

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are transferred to the discretionary reserve. Provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

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

- ✓ Administration costs of CETA
- ✓ Employer grant fund levy
- ✓ Discretionary grants and projects
- ✓ Contributions to the National Skills Fund.

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund CETA's administration costs.

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

1.43. Comparative Figures

Necessary, comparative figures have been reclassified to conform to changes in presentation in the current year and have been restated from the earliest prior period presented, to account for the effect of prior period errors.

1.44. Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is recognised in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense.

	2021	2020 Restated*
	R '000	R '000

1.45. Subsequent events

Subsequent events are all events that occur between the reporting date and the date on which the financial statements are authorised for tabling in parliament. Adjusting events are all the events that confirm the financial performance and position of the SETA at year end and if material the financial statements are adjusted accordingly.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 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 2021 or later periods:

Standard/ Interpretation:	Effective date: Years being beginning on or after	Expected impact
• GRAP 25	01 April 2022	Unlikely there will be a material impact
• GRAP 104	01 April 2022	Unlikely there will be a material impact

3. Allocation of unappropriated surplus

	Administration grant reserves	Employer grant reserves	Discretionary grants reserves	Total per Statement of Financial Performance	Total per Statement of Financial Performance
	R'000	R'000	R'000	R'000	R'000
Revenue					
Admin levy income (10.5%)	52,542	-	-	52,542	82,830
Grant levy income (69.5%)	-	91,367	226,221	317,588	532,831
Skills development levy: penalties and interest	-	-	17,127	17,127	19,646
Interest received	-	-	57,872	57,872	132,378
In-Kind Contributions - Facilities	-	-	1,353	1,353	1,338
Other income	-	-	225	225	1,066
Total	52,542	91,367	302,798	446,707	770,089
Expenses					
Administration expenses	(121,967)	-	-	(121,967)	(95,355)
Employer grant expenses	-	(41,921)	-	(41,921)	(85,918)
Discretionary grant expenses	-	-	(661,801)	(661,801)	(1,093,335)
Total	(121,967)	(41,921)	(661,801)	(825,689)	(1,274,608)
	(69,425)	49,446	(359,003)	(378,982)	(504,519)

	2021 R '000	2020 Restated* R '000
4. Levies		
Levy income: Administration		
Levies in cash	51,727	83,095
Levies received from SARS	47,165	79,348
Government levies received	4,562	3,328
Prior year adjustment	-	419
Levies provision	815	(265)
	52,542	82,830
Levy income: Employer Grants		
Levies in cash	89,815	151,219
Levies received from SARS	89,815	150,420
Prior year adjustment	-	799
Levies provision	1,552	(505)
	91,367	150,714
Levy income: Discretionary Grants		
Levies in cash	222,381	383,367
Levies received from SARS	222,381	374,735
Government levies received	-	6,655
Prior year adjustment	-	1,977
Levies provision	3,840	(1,250)
	226,221	382,117
Total Levies	370,130	615,661
5. Fines, penalties and forfeits		
Skills Development Levy : Interest	8,972	9,815
Skills Development Levy: Penalties	8,155	9,831
	17,127	19,646
6. Other income		
Income from refunds	225	1,066
The other income consists of the following balances		
Gain received on funds refunded by suppliers	-	1,066
Gain received from foreign exchange transaction	216	-
Gain on asset written-off	9	-
	225	1,066
7. Interest received		
Interest revenue		
Interest received on funds refunded by suppliers	1,097	-
Standard Bank	1,762	4,082
Corporation of Public Deposits (CPD)	55,012	128,296
	57,871	132,378

	2021 R '000	2020 Restated* R '000
8.Administration expenses - Employee related costs		
Basic	25,963	22,905
Bonus	3,916	6,043
Medical aid - company contributions	5,133	4,523
UIF	234	166
WCA	369	92
Union	55	33
Subsistence, travel and other allowances	598	428
Bond Subsidy	886	936
PAYE	15,466	16,491
Pension	6,162	5,142
Temporary Staff	296	-
Leave pay	2,134	96
	61,212	56,855

Defined Contribution Plan

CETA's contribution to the defined contribution plan is charged to the Statement of Financial Performance in the year to which they relate and there is no further liability for the CETA.

Fringe benefits

CETA introduced new fringe benefits for its employees in the financial year 2018/19 namely the mobility allowances, education allowances and the employer pension contribution.

Other

Included in other employee costs are: garnishee orders, leave pay, compensation fund, employee wellness, union fees, recruitment fees, bursaries, etc

9. Administration expenses - Depreciation and amortisation

Depreciation - Property, plant and equipment - refer to note 17	4,466	5,337
Amortisation - Intangible assets - refer to note 18	467	553
	4,933	5,890

10. Administration expenses - Operating expenses

Administration expenses		
Employee Related cost - refer to note 8	61,212	56,855
Depreciation - refer to note 9	4,933	5,890
Other Administration expenses - refer to note 10.1	55,822	32,609
	121,967	95,354

	2021 R '000	2020 Restated* R '000
10.1 Other administration expenditure is split as follows:		
Advertising	2,589	2,162
Auditors remuneration - refer to note 11	3,829	4,843
Bank charges	551	416
Cleaning	460	198
Legal costs	6,633	8,135
Consumables	2	25
Entertainment	43	63
Interest paid	356	-
Relocation cost	1,374	-
Insurance	700	379
Motor vehicle expenses	352	784
Storage	330	202
Licenses	2,713	878
Printing and stationery	1,036	1,683
Project maintenance costs	135	24
Repairs and maintenance	250	1,155
Audit Committee fees - refer to note 25	94	130
Security	1,384	1,668
Subscriptions and membership fees	10	4
Telephone and fax	111	2
Other operational expenses	46	36
Electricity	960	633
In-kind Contribution - Facilities - refer to note 25	1,353	1,338
Board expenses - refer to note 10.3	264	2,359
Catering	7	4
Consulting and outsourcing	21,271	-
Travel, Subsistence and accommodation	1,033	446
QTCO	4,474	2,618
COVID 19 Expenses - refer to note 10.2	176	-
Rental expense	3,286	2,424
	55,822	32,609
10.2 The COVID 19 related expenditure relates to the following:		
Masks, gloves and screening	18	-
Dis - infection of the office	24	-
Sanitizers and other related expenses	134	-
	176	-
10.3 The Board expenses relates to the following:		
Travel - Local	4	221
Cellphone allowances	260	15
Committee allowances	-	2,123
	264	2,359
11. Auditors' remuneration		
External audit fees	3,615	2,905
Internal audit fees	214	1,938
	3,829	4,843

	2021 R '000	2020 Restated* R '000
12. Employer grant and Project expenses		
Mandatory grant	41,921	85,918
Expensed	41,921	82,430
Movement	-	3,488
Discretionary grant	661,801	1,093,335
Core Expenditure	543,122	972,336
Admin Expenditure	44,875	41,933
Employee related costs	73,804	79,066
12.1 Administration Costs	-	-
Travel, Subsistence and accommodation	190	1,070
Adjudication of projects	-	2,500
Evaluation of DG projects	3,233	10,998
Consulting and outsourcing	29,612	4,353
Project management	400	1,998
Legal Costs	978	7,577
Management information system	4,769	4,825
Other project administration expenses	1,253	443
Communication, PR and Marketing	4,440	8,169
	44,875	**41,933**
12.2 Employee related costs		
Basic salary	38,920	32,467
PAYE	19,414	21,190
Pension Contribution	6,087	7,008
Medical aid contribution	7,469	7,414
UIF	259	309
Union	36	55
Bonus	-	8,303
Bonds	1,186	1,307
Leave pay	(402)	458
Other	835	555
	73,804	79,066

Included in Other Project Administration Expenses are: Repairs and Maintenance, Cleaning, Stationery, Security, Insurance, Refreshments, Printing, Archiving expenses, etc. which are project related.

13. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	2	4
Bank balance - Standard Bank	112,842	91,087
Bank balance - Corporation of Public Deposits	1,251,477	1,596,465
	1,364,321	1,687,556

As Required in Treasury Regulation 31.2, the CETA holds bank accounts with financial institutions approved by National Treasury. The Skills Development Act Regulations states that the CETA may, if not otherwise specified by the PFMA, the short term deposits are invested in line with the investment policy.

	2021 R '000	2020 Restated* R '000

14. Receivables from non-exchange transactions

SARS employer receivable	1,177	1,357
UIF Receivable	8,010	352
Provision of bad debts	(7)	(325)
Project debtors	6,095	45,344
	15,275	**46,728**

SARS Employer is a review on movements in receivables resulting from SARS adjustments, in line with CETA policy and section 190(1)(b) of the Tax Administration Act. Most of the debtors older than five years that had not moved in the that financial year, this resulted in the decrease provision for bad debts for the year. In addition the provision for bad debts considered the status of the employers SARS database, whether company is active, inactive, estate or bankrupt.

14. Receivables from non-exchange transactions (continue)

Non-current assets	-	-
Current assets	15,275	46,728
	15,275	**46,728**

UIF Receivable

Opening balance	352	-
Funds Received	-	(37,029)
Expenditure incurred (80%)	7,658	37,381
	8,010	**352**

UIF Receivable CETA is contracted with UIF for the funding of Short skills programme. The total project costs is R89m, and be funded as follows,

UIF (80%)	R71.2m
CETA (20%)	R17.8m
Total	R89m

Receivable was raised due to the non-receipt of funds from UIF.

The CETA is concluding the negotiations with UIF with regards to the amounts incurred and due for recovery.

15. Receivables from exchange transactions

Staff debtors	270	108
Sundry deposit	2,364	214
	2,634	**322**

Fair value of trade and other receivables

Receivable from exchange transactions	2,634	322

Receivable from exchange transactions are approximates fair values.

16. Consumables

Consumable stores	5,730	5,921

Consumables are carried out using the FIFO method. Unit price are determined based on the FIFO Method.

Inventories recognised as an expense during the year	717	4,550

	2021	2020 Restated*
	R '000	R '000

Inventory pledged as security

There is no CETA inventory that has been pledged as security and it is not restricted.

Inventory reconciliation

Stationery and refreshments	519	735
Promotional items	5,185	4,716
Cleaning materials	26	470
	5,730	5,921

17. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value - Restated
Plant and machinery	528	(369)	159	570	(324)	246
Furniture and fixtures	4,499	(3,526)	973	4,571	(2,961)	1,610
Motor vehicles	10,053	(6,038)	4,015	10,053	(4,525)	5,528
Office equipment	4,470	(3,258)	1,212	4,517	(2,660)	1,857
IT equipment	10,063	(7,321)	2,742	9,383	(5,848)	3,535
Total	**29,613**	**(20,512)**	**9,101**	**29,094**	**(16,318)**	**12,776**

Reconciliation of property, plant and equipment - March 2021

	Opening balance	**Additions**	Disposals	**Depreciation**	**Total**
Plant and machinery	246	-	(1)	(86)	159
Furniture and fixtures	1,610	-	-	(637)	973
Motor vehicles	5,528	-	-	(1,513)	4,015
Office equipment	1,857	-	(1)	(644)	1,212
IT equipment	3,535	793	-	(1,586)	2,742
	12,776	793	(2)	(4,466)	9,101

Reconciliation of property, plant and equipment - 2020 Restated

	Opening balance	Additions	Depreciation	Total
Plant and machinery	334	19	(107)	246
Furniture and fixtures	2,388	47	(825)	1,610
Motor vehicles	7,089	-	(1,561)	5,528
Office equipment	2,477	89	(709)	1,857
IT equipment	5,055	613	(2,133)	3,535
	17,343	768	(5,335)	12,776

	2021 R '000	2020 Restated* R '000

Pledged as security

There are no restricted assets at CETA and none of CETA assets are pledged as security. CETA has conducted the annual reassessment of useful lives and residual values on PPE Assets.

Other information

Repairs and maintenance to property, plant and equipment

	2021	2020
Computer equipment	13	157
Other maintenance	235	638
Property building	2	396
Office equipment	-	60
	250	1,251

18. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	6,222	(1,484)	4,738	2,454	(1,806)	648
Work-in-progress	7,749	-	7,749	218	-	218
Total	13,971	(1,484)	12,487	2,672	(1,806)	866

Reconciliation of intangible assets - March 2021

	Opening balance	Additions	Amortisation	Total
Computer software	648	4,556	(466)	4,738
Work in progress	218	7,531	-	7,749
	866	12,087	(466)	12,487

18. Intangible assets(continued)

Reconciliation of intangible assets - 2020 - Restated

	Opening balance	Additions	Amortisation	Total
Computer software	1,019	183	(554)	648
Work in progress	-	218	-	218
	1,019	401	(554)	866

Pledged as security

There are no CETA intangible assets pledged as security and they are not restricted.

	2021	2020 Restated*
	R '000	R '000

Reconciliation of Work in progress 2021

	Opening balance	Included in Intangible assetss	Total
Additions/capital expenditure	218	7,5321	7,749

The work in progress relates to a biometric project that CETA undertook. The award was made after an arbitration process.

Reconciliation of work in progress 2020

During the 2020 financial year the work in progress amount was R218.This relates to the biometric for the provinces. See the prior period error note.

19. Payables from exchange transactions

	2021	2020
Trade payables	14,432	209
Accrued expense- Administration	2,358	4,188
Other creditors	804	1,428
Leave provision	4,953	3,222
	22,547	**9,047**

20. Payables from non-exchange transactions

	2021	2020
SARS Payable	1,588	1,494
Mandatary grant payables	52,370	25,409
Trade payables - projects	59,953	39,950
NSF Lay-off scheme	37	37
Accrued expenses - projects	41,704	56,034
	155,652	**122,924**

21. Provisions

Reconciliation of provisions - March 2021

	Opening Balance	Additions	Reversed during the year	Total
Mandatory grant provision	5,686	15	(5,686)	15
Employer refund provision	21,151	14,945	(21,151)	14,945
	26,837	**14,960**	**(26,837)**	**14,960**

Reconciliation of provisions - 2020 - Restated

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Total
Mandatory grant	2,246	-	-	3,440	5,686
Employer refund	22,326	-	(3,195)	2,020	21,151
Discretionary grant provision	45,855	37,511	(83,366)	-	-
Administration provisions	673	-	(777)	104	-
	71,100	**37,511**	**(87,338)**	**5,564**	**26,837**

Prior year balances were adjusted, kindly refer to Note 24 prior year error.

	2021	2020 Restated*
	R '000	R '000

The provision for employer refund R14,945m (2019/20 : R21,151m) relates to employers who, even though are not obliged to pay skills development levy because their payrol is less than R500K, inter aila, still they contribute towards SDL. Any exempt contribution oder than five years are swept to discretionay reserves as directed by the Skills Development Circular no 09/2013 in conjuction with section 190(4) of the Tax Administration Act.

Prior year adjustments were made for Discretionary grant, Administration and Employer grant provision, refer to note 23 for details.

Employer refund		
Opening Balance	21,151	22,326
Transfer to Discretionary grant	(3,669)	(3,757)
Current year	5,056	4,399
Change in provision	(7,593)	1,378
Prior period error adjustment (See note 24)	-	(3,195)
	14,945	**21,151**

22. Cash used in operations

Deficit	(378,982)	(504,519)
Adjustments for:		
Depreciation and amortisation	4,933	5,891
Movements in provisions	(11,877)	1,592
Profit on write off of assets	9	-
Changes in working capital:		
Consumables	191	6,561
Receivables from exchange transactions	(2,312)	61
Other receivables from non-exchange transactions	31,453	(45,812)
Payables from exchange transactions	13,500	181
Payable (non-exchange)	32,728	(24,683)
	(310,357)	**(560,728)**

23. Commitments

	Previously Reported balance	Adjustment to opening balance	Restated opening balance	New alocation/ approval	Current year adjustment	Sweeps and cancellations	payments made	Closing balance
Academic Infrastructure and lecture	25,680	-	25,680	-	-	-	-	25,680
Apprenticeships	596,510	6,003	602,513	-	386,558	(19,760)	(347,513)	621,798
Bursaries	145,019	17,030	162,050	-	55,600	(3,134)	(37,530)	176,986
Candidacy	175,046	30	175,076	-	29,920	(4,280)	(42,022)	158,694
CETA Academy	125,383	-	125,383	-	-	-	-	125,383
Cooperative Empowerment Training	1,400	-	1,400	-	-	-	-	1,400
Development of Academic Programme	694	-	694	-	-	-	-	694
DQP Status	700	-	700	-	-	-	-	700
Engineering Articulation Research and Partners	3,354	-	3,354	-	-	-	-	3,354
Equity Development Post	7	-	7	-	-	-	-	7
Establishment and Development of Cooperatives	1,544	-	1,544	-	-	-	(660)	884
Establishment of a Construction Laboratory and Workshop	8,920	-	8,920	-	-	-	-	8,920
Establishment or Enhancement of Construction Department in Public FET Colleges	1,000	-	1,000	-	-	-	-	1,000
Future Leaders	252	-	252	-	-	-	-	252
Innovation	2,459	-	2,459	-	-	-	-	2,459
Internship'	39,331	77	39,408	-	2,648	(1,345)	(17,395)	23,315
Joint Projects (JPMT)	4,292	-	4,292	-	-	-	-	4,292
Learnership	191,095	13,913	205,009	-	18,501	(11,523)	(50,054)	161,934
Mentorships DG Projects	2,296	-	2,296	-	126	-	(2,296)	126
New Leaders Development	130	-	130	-	-	-	-	130
Occupational Health and Safety	206	-	206	-	-	-	-	206
Placement of Learners	39,101	23	39,124	-	835	(3,024)	(9,342)	27,594
Post-School Sector Collaboration	1,870	-	1,870	-	-	-	-	1,870
Project Management and Administration	6,369	-	6,369	-	-	-	-	6,369
Recognition of Prior Learning	23,527	-	23,527	-	-	(5,383)	(7,186)	10,959
Rural Community development projects	9,214	-	9,214	-	-	-	-	9,214
Sector Skills Plan	6,569	-	6,569	-	-	-	(3,031)	3,538

23. Commitments (continue)

Short Skills Programmes	46,803	4,770	51,573	45,000	404	(4,677)	(13,300)	78,999
Skills Development Centre	167,470	-	167,470	-	55	-	(216)	167,309
Special Projects	2,265	-	2,265	85,000	-	-	(11,253)	76,012
Trade Testing	613	-	613	-	-	63	(63)	613
Training of FET College Staff in assessment and moderation	100	-	100	-	-	-	-	100
Work Readiness Campaign	1,770	-	1,770	-	-	-	-	1,770
Workplace Intergrated Learning	19,618	83	19,701	-	782	(1,740)	(2,413)	16,331
Operational Kit Cooperative	250	-	250	-	-	-	-	250
Short Skills Programme-UIF CETA	42,769	(34,213)	8,553	-	-	-	230	8,784
School Renovation	3,000	-	3,000	-	-	-	-	3,000
	1,696,626	7,716	1,704,341	130,000	495,429	(54,803)	(544,044)	1,730,925

	2021 R '000	2020 Restated* R '000

23. Commitments (continue)

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	4,975	766
- in second to fifth year inclusive	23,605	-
	28,580	**766**

CETA has two operating lease contracts,

1. Photocopying machines - the lease is a fixed contract for 36 months (3years) ending 31 October 2024.
2. Head office building - the lease is a fixed contract for 120 months (5years) ending 31 March 2026.

Operating lease payments represent rentals by the entity for photocopying machines and building .
No contingent rent is payable.

Rental expenses relating to operating leases		
Minimum lease payments - Photocopying machine	508	766
Minimum lease payments - Head office building	-	-
	508	**766**

Administration Commitments		
Internal audit services	-	195
Insurance	1,568	146
Provision of security services	171	82
Hotline	77	-
Car Rental	-	338
Organisational structure and redesign review	47	-
Change management services	837	-
Job evaluation and skills audit review	996	-
Forensic audit investigations	6,330	-
Provision of management printing services (MPS)	1,410	-
Provision of security services	476	-
Evaluation of discretionary grants proposals	30,288	-
Finance and business support	3,333	-
LAN and VOIP for CETA offices	5,173	626
Provision of security services	215	524
Temporary resource for demand and acquisition role in capacitation of CETA SCM unit	42	-
Cleaning services	-	14
ICT hardware and software	-	338
Disaster recovery facility	-	1,500
Provision of promotional items	-	6,750
Archiving	-	75
Monitoring and evaluation of accredited services providers	2,585	522
Office rental	-	766
Financial system	-	1,135
Forensic audit investigations Fleet Management	785	-
	54,333	**13,011**

24. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

	2021	2020 Restated*
	R '000	R '000

Statement of financial position

2020

	As previously reported	Correction of error	Restated Opening Balance
Cash and cash equivalent	1,687,556	-	1,687,556
Receivables from exchange transactions	540	(217)	322
Receivables from non - exchange transactions	46,376	351	46,728
Consumables	5,921	-	5,921
Property, plant and equipment	6,245	6,531	12,776
Intangible assets	121	745	866
Payables from exchange transactions	(9,551)	504	(9,047)
Payables from non exchange transactions	(101,717)	(21,207)	(122,924)
Provisions	(114,175)	87,338	(26,837)
Admin reserves	(6,376)	(7,266)	(13,642)
Employer grant reserves	(1,476)	-	(1,476)
Discretionary grant reserves	(1,513,464)	(66,779)	(1,580,243)
	-	-	-

Statement of financial performance
2020

	As previously reported	Correction oferror	Restated Opening Balance
Other Income	1,066	-	1,066
Interest received	132,378	-	132,378
Levies	612,466	3,195	615,661
Fines, grant and forfeits	19,646	-	19,646
UIF Grant	37,030	(37,030)	-
In kind contributions - Facilities	1,338	-	1,338
Admin expenses	(96,048)	693	(95,355)
Employer grant expenses	(85,918)	-	(85,918)
Discretionary grant expenses	(1,168,262)	74,927	(1,093,335)
Deficit for the year	**(546,304)**	**41,785**	**(504,519)**

Correction of Errors on Disclosure Notes

Retension of Surplus

	Recalculated Amount	Adjustment	Restated balance
Retention of surplus	1,509,029	66,769	1,575,798

Commitments

	Previously Reported	Adjustments	Restated balance
Commitments	1,696,626	7,716	1,704,342

Irregular Expenditure

	Previously Reported	Adjustments	Restated balance
Irregular expenditure	636,874	(41,785)	595,089

	2021	2020 Restated*
	R '000	R '000

Description of the prior period errors

24.1 UIF Grant

The UIF Grant of R37, 029m was incorrectly recognised as revenue as it did not meet the definition of Revenue as per GRAP 9, Revenue from exchange transactions. Discretionary Grant Expenditure was overstated by R37 029m as expenditure relating to the UIF was incorrectly included

24.2 Provisions - 500K Provision

The Employee provision for employers whose gross wage does not exceed R500 000 per annum was incorrectly calculated based on 69,5% instead of 80%.There was an error for an amount of R3,195m as a result.

24.3 2018/19 Discretionary Grant Provision

The Discretionary Grant provision was incorrectly determined based on an unreliable estimate , invoices and forensic Investigation report. Provisions totalling R21 207m were raised based on Invoices and will be reclassified to payables. Provisions totalling R612 563,61 were raised based on analysis and these will be reversed. Provisions totalling R24 035m were raised based on the outcome of the Forensic Investigation report concluded in the prior years and these will be disclosed as Contingent Liabilities. Minimal movement has since occured on these provision arising from the Forensic Investigation

24.4 2019/20 Discretionary Grant Provision

The Discretionary Grant provision was incorrectly determined based on an unreliable estimate amounting to R37, 5m and could not be adequately supported. The Discretionary Grant balance owing to the employers and bursary holders is disclosed as contingent liabilities in the commitments register.

24.5 Admin Provisions

Admin Provisions relating to administration provision of R777 were incorrectly raised.

24.6 Non- Exchange Accruals

Transactions amounting to R6, 425m were reclassified from accruals tio payables as the accrual had been previously raised on invoices dated prior to financial year end date..

24.7 Property, plant and equipment and Intangible Assets

Property, plant and equipment corrections are due to the additional non-cash gains assets that have been added to the Fixed Assets Register at deemed cost.

The calculation corrections relates to the Property, plan and equipment and Intangle Assets as a result of the correction of error due to reassessment of useful lives that had not been constantly applied in previous years.

24.8 Administration expenditure

Lease liabilty was incorrectly calculated the previous year on the rental of the building. The amount of the error was R252k

24.9 Leave provision

Leave provision correction due to the leave days being capped was R364k.

24.10 Receivable from exchange transactions

A PPE clearing account was reclassified by R218k from receivables to work in progress.

24.11 Retension of Surplus

The calculation for the retention of surplus was calculated utilising a different formulae in the prior financial year as reported, hence the prior year amount is recalculated prior to establishing the amount of the restatement leading to the restated amount of R1,58m

	2021	2020 Restated*
	R '000	R '000

24.12 Irregular Expenditure

Irregular expenditure relating to revised budget not being submitted for approval to National Treasury of R546 304m was restated inline with the prior year adjustments that resulted in the net loss for 2019/20 being reduced to R504 519m resulting in the irregular expenditure adjustment of R41 785m .

25. Related parties

Relationships	
Ultimate controlling entity	Department of Higher Education and Training
Other Departments with significant influence	National Skills Fund, National Student Financial Ads Scheme, Department of Science and Innovation
Significant Affiliates	Other 20 SETA's and QCTO, TVET Colleges, Universities and other Colleges, Human Science Research Council, National Research Foundation, South African National Pace Agency, Technology Innovation Agency, Council for Scientific and Industrial Research, South African Qualifications Authority, Council for Higher Education and Training, National Institute for Humanities and Social Sciences
Members of key management	MS V Ndlovu - Chief Financial Officer
Members of the advisory team	MS V Ndlovu - Chief Financial Officer MR S WASA - Administrator MR BE Hlongwe - Advisor Finance MS GN Sejake - Advisor Projects MR ZN Mnisi – Advisor ICT MR MM Morrison - Advisor Operations and Strategy MS PP Mnguni – Advisor Change Management MS MVM Mashigo - Advisor Monitoring and Evaluation MR M Shezi – Advisor Finance MR P Tsotetsi - Advisor Office of the Advisor

Related party transactions

In - kind contribution - Rental of office	2021 R '000	2020 Restated* R '000
Mpumalanga - Disaster Management Centre	98	93
KZN Services SETA	-	127
North West - Mahikeng Taletse TVET College	106	101
Free State Motheo College Aliwal North	715	681
Western Cape - False Bay College	66	63
Northern Cape - Department of Public Works	159	152
Eastern Cape - Midlands College	89	85
KZN - Thekwini TVET College Springfield	82	-
Gauteng - Tshwane South TVET College	37	36
Total	1,353	1,338

	2021 R '000	2020 Restated* R '000

25. Related parties (continue)

Amounts received/paid/commitment		
DHET	376,486	624,149
QCTO	4,474	(2,618)
TVET Colleges	232,439	253,295
Universities	112,544	120,186
Other colleges	25,207	142,988
Total	**751,150**	**1,138,000**

Remuneration of management

Management class: Executive management

March 2021

	Total Cost to Company	Total
MS V Ndlovu - Chief Financial Officer	3,042	3,042

2020

Name	Total Cost to Company	Acting Allowance	Bonuses	Total
MS V Ndlovu - Chief Financial Officer	2,550	-	788	3,338
R Semenya - Acting Chief Executive Officer	2,323	538	904	3,765
K Mpandeli -Acting Core for Business Executive	1,343	110	426	1,879
S Tleane - Acting Corporate Services Executive	1,897	157	497	2,551
I Ngezi - Acting Chief Operations Officer	1,349	157	456	1,962
	9,462	**962**	**3,071**	**13,495**

Administration advisory team

March 2021

Name	Total Cost to Company	Total
MR S Wasa - Administrator	2,231	2,231
MR BE Hlongwe - Advisor Finance	1,066	1,066
MS GN Sejake - Advisor Projects	1,523	1,523
MR ZS Mnisi - Advisor ICT	1,523	1,523
MR MM Morrison - Advisor Operations and Strategy	1,523	1,523
MS PP Mnguni Advisor Change Management	634	634
MS MVM Mashigo - Advisor Monitoring and Evaluation	1,523	1,523
MR M Shezi - Advisor : Finance	968	968
MR P Tsotetsi - Advisor Office of the Administrator	532	532
	11,523	**11,523**

March 2020

	2021	2020 Restated*
	R '000	R '000
Name	Total cost to company	Total
MR S Wasa - Administrator	371	371
MR BE Hlongwe - Advisor Finance	213	213
MR ZS Mnisi - Advisor ICT	189	189
MR MM Morrison - Advisor Operations and Strategy	189	189
MS PP Mnguni - Advisor Change Management	189	189
MS MVM Mashigo - Advisor Monitoring and Evaluation	189	189
	1,529	1,529

The Department of Higher Education and Training, in terms of section 15(2) read with subsections (1) and (4) of the Skills Development Act, 1998 (Act No. 97 of 1998), suspended all the members of the Construction Education and Training Authority, Accounting Authority and appointed Mr Sabelo Wasa as the Administrator for a period of twelve (12) months from 03 February 2020 to take over the administration of the CETA. The Administrator's term of office was subsequently extended by twelve(12) months till February 2022.

Audit committee

March 2021	**Audit Committee fees**	**Total**
J Maboa - Chairperson	35	35
CS Mofet-Mubu - Member of the audit commitee	21	21
D Madiba - Member of the audit committee	21	21
N Mosuwe - Member of the audit committee	17	17
	94	94

25. Related parties(continue)

2020

Name	Accounting authority	Executive Committee	Core business committee	Audit Committee	Finance Committee	Governance and Strategy Committee	Remuneration Committee	Other Meeting Allowance	Travel Re-imbursement	Total
Ms R Govender	47	-	8	26	-	31	-	-	1	113
Mr Z Murhawi	-	-	-	-	-	-	-	104	1	105
Mr A Mahlalutye	-	-	-	16	-	-	-	9	1	26
Mr V Nondabula	60	-	-	52	-	-	8	9	2	131
Ms C Mofet - Mubu	-	-	-	26	-	-	-	4	1	31
Mr R Cele	94	63	-	-	-	-	-	65	-	222
Mr W Mfebe	69	47	31	-	-	-	-	25	4	176
Mr R Mnisi	78	-	15	-	-	15	-	9	2	119
Mr TC Madikane	65	-	23	-	-	-	31	13	4	136
Mr T Matosa	56	23	15	-	52	-	-	22	12	180
Ms I Ndlovu	86	47	23	-	-	-	52	37	13	258
Mr J Montisetse	35	-	16	10	-	-	23	17	-	101
Mr S Mlangeni	60	-	16	-	39	23	-	22	6	166
Mr TE Kgole	30	-	-	-	15	-	-	9	-	54
Ms M Moloto	30	-	-	-	-	-	-	9	-	39
	710	180	147	130	106	69	114	354	47	1,857

26. Irregular expenditure

Opening balance as previously reported	636,874	79,429
Correction of prior period error	(41,785)	-
Opening balance as restated	**595,089**	**79,429**
Add: Irregular Expenditure - current	107,443	557,445
Closing balance	**702,532**	**636,874**

Incidents/cases identified in the current year include those listed below:

Excess expenditure over the limit not approved	-	7,921
Irregular expenditure amount from extention	4,665	-
Revised budget not submitted for approval to National Treasury	-	546,304
Expenditure incurred without following approved SCM processes	-	53
Irregularity on the mandatory process for SCM tender submissions	-	3,167
Exceeding 7.5% threshold for project administration - refer to 26.1	71,277	-
Expenditure incurred in contravention of Treasury Regulations - refer to 26.2	24,137	-
Expenditure not procured through appropriate procurement processes.	7,314	-
Deviation on appointment of the motivational speaker for team building	50	-
	107,443	**557,445**

	2021	2020 Restated*
	R '000	R '000

26.1 Expenditure exceeding the 7.5% legislated cap

The CETA had prepared a budget and application to the DHET to re-allocate the payroll cost of the staff within the projects unit however the audit process has indicated that this is not acceptable. This matter is currently under investigation to ascertain that it is indeed irregular.

26.2 Expenditure incurred in contravention of the Treasury Regulations

The CETA is in the process of seeking an opinion on this matter. The comparison conducted through the audit process was invoices of another entity versus expenditure incurred by the CETA in a contract that was variable in nature. No value nor the quantities were stipulated in both contracts except for the rate per quantity. This matter is under investigation.

26.3 On-going Investigations and Disciplinary actions

CETA was placed under administration since February 2020, this was after receiving the Gobodo and NSA report on Investigations of irregularities that took place in the organisation. The employees that were found to be implicated to the irregularities were suspended and disciplinary actions were taken against those employees.

The Administrator further deployed further investigations on DG expenditure, SCM processes and Fleet Management and all these investigations are on-going.

27. Fruitless and wasteful expenditure

	2021	2020
Opening balance as restated		
Add: Expenditure identified - current	-	-
Less: Amounts recoverable - current	10,356	-
Closing balance	(4,478)	-
	5,878	-

Expenditure identified in the current year include those listed below:

	2021	2020
Fruitless and wastefull expenditure has been raised based on fines and penalties from SARS for late payment	356	-
Post Internship stipends paid to temporary staff	48	-
Duplicate VAT and incorrect contract rate applied in computing the invoice amount refer to note 27.1	4,478	-
Non compliance of sec 51 of PFMA	5,474	-
	10,356	**-**

27.1 Duplicate vat and incorrect rate used in computing the invoice amount by the service provider

The invoice received from the provider was not computed accurately. The rate inclusive of vat was incorrectly applied as if it was vat exclusive leading to the vat amount being duplicated. The rate applied was not consistent with the contract rates. The service provider has acknoledged the debt and the amount in the process of being recovered.

27.2 Non compliace with sec. 51 of the PFMA

This amout was a result of duplicate work that had to be conducted arising from incorrect data submitted to the service provider. The re-submission necessitated re-performance of the work.

28. Financial instruments disclosure

In the course of CETA operations, it is exposed to interest rate, credit, liquidity and market risk. CETA has developed a comprehensive risk strategy in terms of Treasury Regulations 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the heading below. Financial instruments have not

	2021	2020 Restated*
	R '000	R '000

been discounted as they will be settled or recovered within 6 months. The effect of discounting was considered and found not to be material.

Interest rate risk

CETA manages its interest rate risk by effectively investing CETA surplus the Corporation for Public Deposits (CPD) as per Treasury Regulation 31.3.3.

March 2021	Amount	Effective Interest rate	Non-interest bearing	Total
Cash and cash equivalent	1,364,321	4%	-	1,364,321

March 2020	Amount	Effective interest rate	Non-interest bearing	Total
Cash and cash equivalent	1,687,556	7%	-	1,687,556

Categories of financial instruments

March 2021

Financial assets

	At fair value	At amortised cost	Total
Receivable from exchange transactions	-	2,634	2,634
Receivable from non-exchange transactions	-	15,275	15,275
Cash and cash equivalent	1,364,321	-	1,364,321
	1,364,321	**17,909**	**1,382,230**

Financial liabilities

	At cost	Total
Payables from exchange transactions	22,547	22,547
Payables from non exchange transactions	155,652	155,652
	178,199	**178,199**

2020

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from non exchange transactions	-	46,728	46,728
Other receivables from exchange transactions	-	322	322
Cash and cash equivalents	1,687,556	-	1,687,556
	1,687,556	**47,050**	**1,734,606**

Financial assets, which potentially subjects CETA to the risk of non-performance by counter parties and thereby subjects to credit concentration of credit risk, consist mainly of cash and cash equivalent, investments and account receivable.

CETA limits its treasury counter - party exposure by only dealing with well - established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury regulations 28. CETA 's exposure is continuous.

	2021	2020 Restated*
	R '000	R '000

28. Financial instruments disclosure (continued)

Credit risk with respect to levy paying employers is limited due to the nature of the income received. CETA does not have any material exposure to any individual or counter-party. CETA's concentration of credit risk is limited to the industry (Construction related industries) in which CETA operates. No events occurred in the industry (Construction and related) during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowances for doubtful debts.

Financial liabilities

	At cost	Total
Payables from exchange transactions	9,047	9,047
Payables from non exchange transactions	122,924	122,924
	131,971	131,971

29. Risk management

Financial risk management

Liquidity risk

CETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs forecasted cash flow and its cash management polocy. Adequate reserves and liquid resources are also maintained.

2021	Carrying Amount	Contractual Cash Flow	6 months or less
Payables from non-exchange transactions	155,652	155,652	155,652
Payables from exchange transactions	22,547	22,547	22,547
	178,199	178,199	178,199

2020	Carrying Amount	Contractual Cash Flow	6 months or less
Payables from non-exchange transactions	122,924	122,924	122,924
Payables from exchange transactions	9,047	9,047	9,047
	131,971	131,971	131,971

In case of liquidity problems, funding resources might be available in terms of DHET and National Treasury approval for borrowings in the open markert.

Financial assets, which potentially subjects CETA to the risk of non-performance by counter parties and thereby subjects to credit concentration of credit risk, consist mainly of cash and cash equivalent, investments and account receivable.

CETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury regulations 28. CETA 's exposure is continuous.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. CETA does not have any material exposure to any individual or counter-party. CETA's concentration of credit risk is limited to the industry (Construction related industries) in which CETA operates. No events occurred in the industry (Construction and related) during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are a presented net of allowances for doubtful debts.

			2021	2020 Restated*
			R '000	R '000

The ageing of other receivable from exchange transactions	2020/21	Impairment	2019/20	Impairment
Not past due	2,312	-	322	-
More than a year	322	-	-	-
	2,634	**-**	**322**	**-**

The ageing of cash and cash equivalent	2020/21	Impairment	2019/20	Impairment
Not past due	1,364,321	-	1,687,556	-

The ageing of other receivable from non-exchange transactions	2020/21	Impairment	2019/20	Impairment
Not past due	13,965	-	46,728	-
More than a year	1,310	-	-	-
	15,275	**-**	**46,728**	**-**

Market risk

CETA is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in the wages rates. No significant events occurred during the year of audit.

Fair values

CETAs financial instruments consists of mainly of cash and cash equivalent, accounts and other receivable and payables. No financial instruments were carried at an amount in excess of its fair value. Fair value could be reliably measuredfor all financial instruments.

Cash and cash Equivalent

Cash and Cash equivalent comprise of cash held by CETA and short-term ban deposits with an original maturity of less than three months. The carrying amount of these assets approximates their fair values.

Accounts receivable

The carrying amount of the account receivable is net of allowances for any doubtful debt , estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair values. The effect of discounting was considered and found to be immaterial.

30. Contingencies

30.1 Retention of surplus funds

Retention of surpluses by constitutional institutions and public entities listed in Schedules 3A and 3C to the Public Finance Management Act (PFMA), 1999. Public entities listed in Schedules 3A and 3C to the PFMA may not accumulate surpluses that were realised in the previous financial year without obtaining prior written approval of the relevant Treasury.

The CETA submitted an application for the retention of accumulated funds as at 31 March 2020 to National Treasury. In terms of the Grant Regulation 3(11), SETAs are expected to have spent or committed (through actual contractual obligations) at least 95% of discretionary funds available to use as at 31 March of each year.

	2021	2020 Restated*
	R '000	R '000

30. Contingencies (continue)

SETAs are required to disclose the uncommitted surplus. The possible liability is calculated as follows:

Possible liability - Retention of surplus		
Cash and cash equivalent	1,364,321	1,687,556
Plus : Receivable	17,909	47,050
Less : Current liability	(193,159)	(158,808)
	1,189,071	**1,575,798**

The new calculation for the Retension of surplus shows that CETA has availble surplus of R1,189b (2020 - R1,575b) however the Discretionary Grant Commitment register has a balance of R1,730b (2020 - R1,704) commited projects. This indicates that the surplus amount is backed by the discretionary grants commitments..

30.2 Litigations - CETA is currently defending the following cases

Supplier is suing CETA over unpaid invoice.	79	-
Challenging the appointment of the Administrator;	-	-
CETA is being sued for breach of contract	16,332	-
Taxation of legal costs	95	-
A delayed project was cancelled and the damages are claimed	4,000	-
SARS Reversal	-	218
	20,506	**218**

30.3 First-time employer registrations

The skills development legislation allows for an employer, registering for the first time, six months to submit an application for mandatory grants. At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R1 199million (201920 :R1 476million) will be payable. This amount is contingent on the number of WSPs submissions received and approved.

30.4 Contingent assets

Recovery of CETA funds from the service provider that did not pay stipends to learners	829	-
SARS reversal	-	165
	829	**165**

31. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

32. Events after the reporting date

32.1 CETA's rental contract for the new premises was effective from 1 April 2021.

32.2 A receivable of R4,478 million was raised on fruitless expenditure recovered. Refer to note 27.1.

32.3 The Administrator swoped around the advisors fulfilling the roles of the Finance and one heading the Administrator's office. This was effected early May 2021.

	2021	2020 Restated*
	R '000	R '000

33. Budget differences

Material differences between budget and actual amounts

33.1 Interest - Deficit of R23 718 million in interest earned is due to lower balance in the CPD account at the bank and lower interestrates due to reduced interest rates on invested funds.

33.2. Levies - The deficit of R102 582 million in levies is attributed to a 4 months levy break given to the levy payers and also Covid19 resulted in financial difficulties in the economy and some employers either downsized or closed.

33.3 Fines - The deficit of R19 236 million is due to 4 months levy break given to the levy payers. The budget is also based on an estimate of penalties and interest to be received as CETA cannot anticipate with certainty the levy payers that will incur interest and penalties due to late payment of the skills development levies to SARS.

33.4. Administration Expenses - Under expenditure of R24 720 million is attributed to employee related costs, Employee relatedcosts has been moved to Discretionery grant.

33.5. Employer grant expenses - The under expenditure of R34 532 million is mainly attributed to less qualifying entities payable for 2020/21.

33.6 Discretionary Grants - The over spending of R29 768 million is due to Employee related moved from administration expenditure todiscretionary.

34 Change in estimate Property, plant and equipment

The useful life of certain property, plant and equipment were reassessed during the year. The impact of the reassessment is asfollows

Property, plant and equipment

The useful life of certain property, plant and equipment were reassessed during the year. The impact of the reassessment is as follows:

Asset Class	Useful lives before the review	Depreciation before the review of the useful lives	Useful lives after the review	Depreciation after the review of the useful lives	Effect of review of useful llives
Furniture and Fittings	2-24 years	(755,072)	3-24 years	(638,613)	116,461
IT Equipment	3-20 years	(2,035,191)	2-20 years	(1,584,946)	450,245
Motor Vehicles	2-10 years	(1,668,300)	4-10 years	(1,513,355)	154,944
Office Equipment	3-23 years	(796,923)	3-23 years	(643,409)	152,221
Plant and Machinery	3-22 years	(99,462)	2-22 years	(86,706)	14,048
Computer Software	1-14 years	(491,829)	3-14 years	(466,884)	24,945
	14	(5,846,777)	17	(4,933,913)	912,864
		(5,846,777)		**(4,933,913)**	**912,864**

35. Comparative figures

Certain comparative figures have been reclassified. See the prior period error note to see the details of the restated amounts.

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