

Annual Report

Insurance Sector Education and Training Authority (INSETA)

RP186/2015

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Honourable Minister

It is with pleasure that we present to you of the Annual Report of the Insurance Sector Education and Training Authority for the period 1 April 2014 to 31 March 2015.

Dr Blade NzimandeMinister of Higher Education and Training



Sandra Dunn

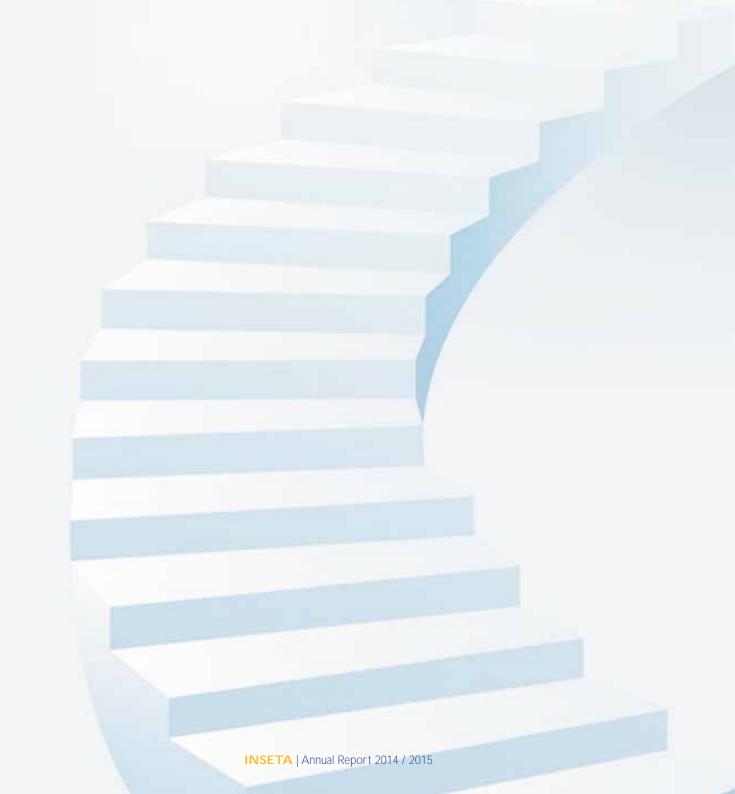
INSETA Chief Executive Officer



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PART A: General Information



"Being trustworthy requires: Doing the right thing. And doing things right."

Don Peppers

1. General Information

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Training Authority

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2017

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EXTERNAL AUDITORS: Auditor General South Africa

INTERNAL AUDITORS: Business Innovation Group (BIG)

BANKERS: Nedbank

2. List of Abbreviations and Acronyms

ABFT	Adult Pasad Education and Training
ADE I	Adult Based Education and Training
ASISA	Association for Savings and Investments of South Africa
ATR	Annual Training Report
BEE	Black Economic Empowerment
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
DHET	Department of Higher Education and Training
ESG	Environmental, Social and Governance
ETQA	Education and Training Quality Assurance
FAIS	The Financial Advisory and Intermediary Services Act
FSB	Financial Services Board
GRAP	Standards of Generally Recognised Accounting Practice
IISA	Insurance Institute of South Africa
INSETA	Insurance Sector Education and Training Authority
IT	Information Technology

NLRD	National Learner Record Database
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trade and Occupations
RE	Regulatory Examinations
SAADP	South African Actuaries Development Programme
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SDF	Skills Development Facilitators
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WBE	Work-based Experience
WSP	Workplace Skills Plan

3. Strategic Overview



INSETA's purpose is to grow the pool and quality of scarce and critical skills in the insurance sector, enhancing the sector and supporting the country's transformation.

Vision

"A skilled and capable insurance and related services workforce."

Values

Partner to enable others

- Form strategic partnerships
- Be an employer of choice
- Consult and collaborate with stakeholders

Lead with vision

- Develop contemporary solutions to guide the industry
- Listen, learn, influence and shape

Deliver quality

- Results for real impact
- Value for investment

Touch lives

- Make a difference
- Leave an enduring legacy

Inspire trust

- Transparent
- Reliable and consistent
- Accountable

Strategic outcome oriented goals

INSETA set the following strategic goals for the period 2014/15.

Strategic Goal 1:

A credible institutional mechanism for skills planning

Strategic Goal 2:

Increased access to occupationally directed programmes

Strategic Goal 3:

Better use of workplace-based skills development

Strategic Goal 4:

Training and support provided to sector cooperatives, small enterprises and NGO's

Strategic Goal 5:

Building career and vocational guidance

Strategic Goal 6:

Promoting the growth of a public TVET sector college system that is responsive to sector, local regional and national skills needs and priorities

Strategic Goal 7:

Organisational Effectiveness

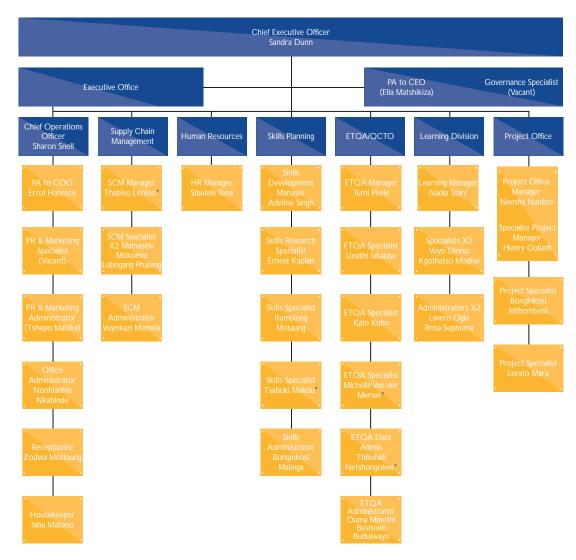
4. Legislative and other Mandates of INSETA

INSETA is a schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA). The INSETA must perform in accordance with the Skills Development Act (SDA), the Skills Development Levies Act (SDLA), the PFMA, any other relevant legislation and the INSETA Constitution.

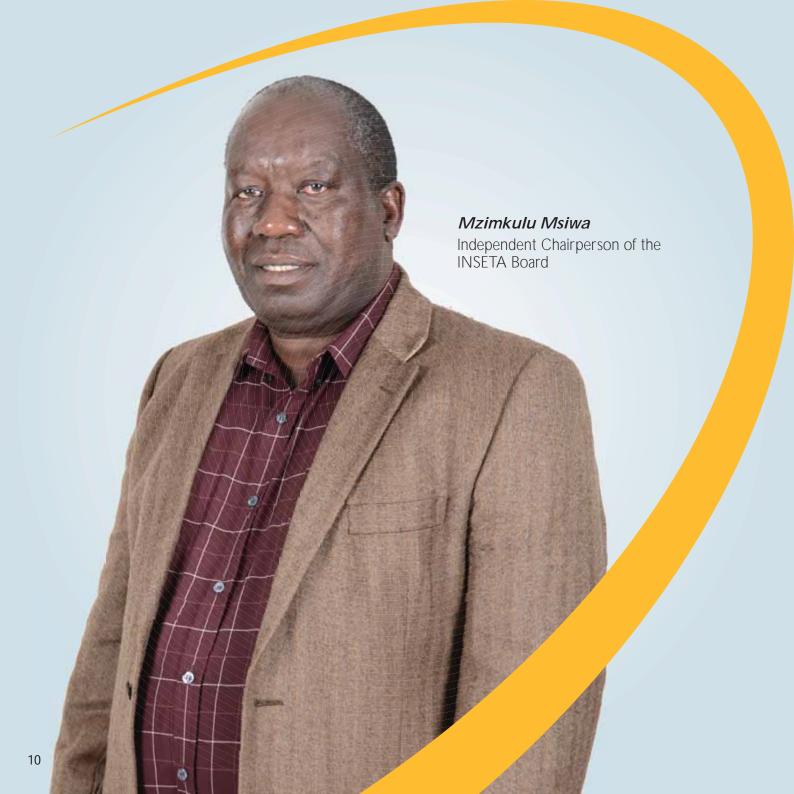
The table represents the Acts/other mandate documents that predominantly direct and influences INSETA with respect to skills development.

ACT/OTHER MANDATE DOCUMENTS	PURPOSE OF THE ACT/OTHER MANDATES
Insurance Sector Education and Training Authority Constitution	This Constitution provides an institutional framework for the SETA to develop and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.
The Skills Development Act, (SDA)1998 (as amended)	Provides an Institutional Framework to develop and implement national sector and workplace strategies to improve the skills of the South Africa workplace.
The Public Finance Management Act, (PFMA) 1999 (as amended)	The PFMA seeks to regulate financial management in the national and provincial governments
Skills Development Levies Act, (SDLA)1999	Provides for the imposition of the skills development levy and matters related thereto.
The Financial Advisory and Intermediary Services (FAIS) Act, 2002	Sets out the Fit and Proper requirements for financial services providers. New requirements include compulsory Regulatory Examinations with strict timeframes as laid down by the Financial Services Board (FSB).
National Qualifications Framework Act, (NQF) 2009	To provide for the National Qualifications Framework (NQF).
National Skills Development Strategy III (NSDS III)	Creates a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path.
National Skills Accord (NSA)	Provides defined commitments that are in line with the National Growth Path strategy objective to create five million new jobs by 2020.
Sector Skills Plan (SSP)	Sets key priorities which guides discretionary grant spending and INSETA targets.
Annual Performance Plan (APP)	The annual performance plan contains INSETA's performance commitments and measurement framework.
Service Level Agreement (SLA)	The SLA sets out the agreement between Department of Higher Education and Training (DHET) and INSETA

5. Organisational Structure



* Denotes employees who resigned during the financial year Resigned during the financial year but not reflected in the organogram as posts were filled before year end is Olebogeng Masiza (Administrator) and Sabelo Mkwae (SCM Specialist)



6. Foreword by the Chairperson

"Young people are already facing increasingly difficult conditions finding their way into the workplace, and the news that these factors can be further compounded based simply on location is disheartening. Contact with the world of work should be a component of all young people's educational experience, and all schools and colleges should have links with at least one local business. That's not altruism — it's essential if we're to create the skilled workers all business need to survive and thrive. By working collaboratively, taking one simple step and engaging with young people, employers, education providers and those taking their first steps into work can all benefit."

Michael Davis, Chief Executive of the UK Commission for Employment and Skills (UKCES), 2015

We have seen increased levy grant funding being made available through the various SETA initiatives to address our country's youth unemployment crisis. One of the implementation challenges that SETAs have encountered, and which researchers have dubbed 'the postcode lottery', is affecting thousands of rural youth. Graduates from rural colleges are less likely to find work experience placements because of lower levels of economic activity in these areas, as opposed to their counterparts in the urban areas. Employer leadership becomes critical to create more work experience placement opportunities. This can be achieved by employers ensuring that their branch offices which are located away from the main centres also become designated training spaces. In addition INSETA, in partnership with a number of colleges, is tackling this problem by embarking on an aggressive rural marketing strategy which targets the independent brokerages which are located close to the colleges.

With this in mind, I would like to turn to the theme of this Annual Report. It is traditionally based on one of INSETA's five core values. This year we have chosen the value to 'inspire trust'. For us, this means that we must be transparent, reliable and consistent in our engagements with our stakeholders. We prefer to be held accountable by our stakeholders and openly take up challenges, which have seen us piloting innovative and creative skills development solutions over the years. Our consistent agility and flexibility has become our competitive advantage. This is achieved through always having quality research and data available; a qualified and experienced HR capability; and by maintaining valued relationships with employers and higher education providers. In the words of Don Pepper, being trustworthy, is about doing the right thing and also doing things right.

This reporting period is the fourth year of our five year strategy and before we commenced the year, we undertook a review of our previous performance. This resulted in us adjusting our annual targets to accommodate stakeholder inputs that we received and key government priorities for higher education. I am pleased to report that our results show that our performance numbers at an aggregated level have grown exponentially from the previous period. More beneficiaries received quality learning interventions through INSETA funding. In addition, we have partnered with many new employers, TVET colleges and universities in all the provinces, increasing both our rural and urban footprint.

INSETA Strategy

Our Sector Skills Plan has been enhanced by improved stakeholder participation in the annual review. INSETA entrenched its reputation as the authority on labour market analysis in the insurance sector. We conducted

broad consultation including focussed consultations with a dedicated steering committee, made up of key sector representatives. The outcome is an agreed sector strategy to address the skills needs within the insurance sector. This plan focussed on the collective needs of levy and non-levy paying institutions, SMME's and Burial Societies.

The INSETA strategy is aligned with government strategic objectives adopted in 2009 as the Medium- term Strategic Framework (MTSF) with emphasis on the fourth strategic priority, namely to strengthen the skills and human resource base. INSETA has also aligned its strategy to Department of Higher Education (DHET) goals and NSDS III. The goal underpins the strategy to achieve the fundamental transformation imperatives of class, race, gender, age, geography, disability and HIV and AIDS pandemic in society.

Key risks affecting sustainability of the insurance sector

Insurers will need to keep their systems and processes current to meet regulatory obligations contributing to the rising cost of compliance. This favoured large companies and INSETA has noted a trend whereby small brokerages are closing and brokers are seeking employment with large companies. Consequently, there is a reduction in the number of workplaces to host learners on INSETA programmes especially outside of Gauteng, Western Cape and Kwa-Zulu Natal, which are the main insurance hubs.

New technologies drive the demand for high-skill professionals

Rapid technological progress remains one of the key drivers of changes in occupational patterns. The demand for high-skill non-routine cognitive jobs is on the increase and in the insurance sector this is fuelled by the digitalisation of the insurance market. The services sector, which includes

the financial and insurance services, is responsible for the creation of the bulk of the new jobs which become available. Services are expected to be responsible for one third of the global workforce over the next 5 years. Insurers are using various technology integrations to address evolving customer needs like re-engineering underwriting, mobile, Big Data, predictive modelling and cloud computing. INSETA research has identified that high–skill professionals like actuaries, risk managers, underwriters and data and systems analysts are needed to deal with emerging technologies.

Broker Development Programme

INSETA launched its new development programme to mentor and support **8** SME brokers within the sector. The programme's purpose is twofold:

- To invest in the growth and cultivation of brokerages, so as to expand the supply and quality of scarce and high-priority skills with the insurance sector; and
- To enrich the industry and foster the country's transformation, with a concerted focus on enterprise development and standardisation of approached to scalable broker development.

The programme is being delivered by the ASISA Enterprise Development Programme and research will be conducted as part of the programme to look at helping more small brokers by scaling the model.

Growth in levy income

Our levy income increased by approximately 8% to R370.8 million from the previous year. This increase was occasioned by the fact that the insurance sector continued to provide inflationary increases in the salaries and bonuses paid and 160 new levy contributing companies joined INSETA for the period. The South African economy remained fragile and

posted lower than expected growth figures in 2014. While we saw increased employment levels, the absorption rate is still not optimal. Compared to other sectors, the insurance sector did well and posted good results overall. According to the Africa Insurance Trends Report published by PWC, insurers are predicting high growth rates of between 7% and 15%. This will come from new products, new risks areas and from diversification outside of South Africa. Insurers continue to penetrate new markets mainly in Nigeria, Kenya and Ghana, taking advantage of the strong GDP growth, existing low penetration rates and increasing demand for insurance from the rising middle class.

PR and Communications

INSETA commands an enviable position as a thought leader and enabler in the education and training environment. INSETA enjoyed only positive print and online media coverage from the mainstream media and sector specific publications during the period under review with free coverage valued at R3.3 million. Data analytics on our social

media footprint indicates that INSETA reaches and engages a wide audience, especially from the age category of 18 to 35 year olds.

Strategic Partnerships with the Insurance sector

The table below provides a list of key sector stakeholders with whom INSETA engages on skills development. Talent shortages are prioritised to ensure the competitiveness of the insurance sector and both the Short and Long-term insurance sub-sectors have committees which focus on this risk. Key inputs are obtained through participation in the SAIA Human Capital committee and the ASISA Employment Equity and Education. The Skills Development division also engaged throughout the year with other stakeholders in the sector, as part of our broad consultation. INSETA was mandated by industry to conduct in-depth research into transformation of the industry and skills needs of each sub-sector. The research has provided key insights and is used widely to inform skills planning in the sector.

CATEGORY	ENTITY		
Industry Associations	Associations of Savings and Investment of South Africa (ASISA)	South African Insurance Association (SAIA)	
Intermediary sub-sector	Financial Intermediaries Association (FIA) Black Brokers Forum (BBF)	Association for Black Insurance Brokers (ABIB)	
Professional Bodies	Insurance Institute of South Africa Institute of Loss Adjusters Actuarial Society of South Africa (ASSA)	Financial Planning Institute (FPI) Principal Officers Association (POA) Association for Black Actuaries (ASABA)	
Risk Management	Institute of Risk Managers South Africa (IRM-SA)		
Underwriting agency	South African Underwriting Managers Association (SAUMA)	Underwriters Managers Association (UMA)	

CATEGORY	ENTITY		
Funeral sub-sector	Funeral Assistance Business (FAB) South African Federation of Burial Societies (SAFOBS)	Burial Societies of South Africa (BUSOSA)	
Health care benefits and administration	Board of Healthcare Funders		
Regulatory	Financial Services Board (FSB) Council for Medical Aid Schemes	National Treasury	

Scarce and Critical skills

INSETA partnered with TVET Colleges and Universities and provided bursaries to unemployed learners in study fields relevant to the insurance sector. These include areas of scarce and critical skills such as BCom Financial Planning; Risk Management; Investment Management; and National Certificate Vocational (Financial Management). Bursaries in the amount of R 16.2 million were allocated to students in the public TVET Colleges and Universities. Learners were selected based on academic performance, financial need and equity. It is pleasing to report that our bursary recipients have a very high completion rate. Annually many new qualified graduates become available for placement in the sector.

INSETA funds the development of actuarial science graduates through a partnership with the South African Actuarial Development Programme. This is the fifth year of the partnership and, to date, INSETA has provided bursaries to **414** learners and R30.7 million was allocated to support this programme. The programme sources top matriculants from disadvantaged backgrounds, provides coaching and mentoring and other support structures. It also affords students the opportunity to work in the best financial and insurance related organisations in the country once they have completed their qualification.

Work Based Experience (WBE) for graduates

In last years' report, I highlighted a challenge INSETA faced to find workplaces for graduates to gain valuable work experience. I am happy to report that our pilot WBE programme saw **425** TVET and **105** University graduates being placed in workplaces. The graduates would have typically completed the theory part of their qualification and require 18 months of practical work experience in order to graduate. We were very excited to see that one of our partners, Gert Sibande TVET College managed to place many learners in small brokerages in Mpumalanga. These brokerages have never hosted learners before and this achievement will pave the way to bring many new small and micro employers on the programme.

The Year Ahead

The targets adopted for 2015/16 with the DHET will see a further increase in the number of beneficiaries. In order to achieve these targets we will need to have the commitment of the sector to host learners and create new partnerships to find more workplaces to host the learners. Here we have to partner with additional small and micro employers in order to encourage them to participate as host employers.

In addition, we will be meeting large employers to open up their branch networks countrywide to host learners from the TVET colleges for work experience. INSETA has opened offices in rural Eastern Cape, where we are the lead SETA in two TVET colleges. We face the on-going challenge of finding employers to partner with INSETA to host TVET graduates.

We also look forward to the outcomes of the landmark sector wide research project that INSETA has commissioned. This research is expected to provide a meticulous profile of the state of skills in each sub sector of the insurance sector.

Mzimkulu Msiwa

Independent Chairperson of the INSETA Board 31 July 2015

Appreciation

I am blessed with fellow Board members who are passionate about skills development and through their robust engagement, support and guidance; we are able to provide quality leadership. To all INSETA stakeholders, I thank you for your regular and valued inputs and high levels of participation in our programmes. My appreciation is also extended to our Executive Authority which is the DHET and our Quality Council for Trades and Occupations, (QCTO). Congratulations to Sandra Dunn and her team for your sterling performance.



7. Chief Executive Officer's Report

"There is a difference between interest and commitment. When you're interested in doing something, you will do it only when it is convenient. When you're committed to do something, you accept no excuses only results"

Kenneth H Blanchard

Inspiring and building commitment and trust

INSETA has delivered consistent performance over an extended period to generate the best solutions for our beneficiaries.

I am pleased to present INSETA's Annual Report for 2014/15 containing an overview of key activities during the year, and achievements towards our vision. These results could only be achieved through the on-going commitment of our insurance sector partners who play an active role in skills development and transformation of the insurance sector.

Performance towards achieving NSDS III indicators

INSETA set significantly higher performance targets for 2014/15 compared to last year in some areas and we made

substantial progress towards achieving these in the year under review. Learning programmes are aligned to scarce and critical skills identified by the sector.

Scarce and Critical Skills Developing Actuaries

INSETA has to date invested R43 million towards the development of black actuarial talent in the industry. A long standing partnership is in place with the SAADP programme for the past six years and we have supported 414 youth not in employment studying actuarial science. The programme remains the top high-skill development programme of this nature in South Africa. For the year under review 91% of the learners successfully completed and 100% of graduates were placed in industry. The profession currently does not have an unemployment rate and the demand for actuaries is exceeding supply.

For the year ahead R12.2 million has been allocated to provide 94 bursaries for actuarial science study. INSETA also partners with the ASABA (Association of South African Black Actuarial Professionals) to host an annual Actuarial Fair to promote actuarial science to top learners in disadvantaged schools.

NO	NO OF ACTUARIES SUPPORTED THROUGH BURSARIES 2011- 2015			
Calendar Year	Learners entered	Learners completed	Bursary Funding	
2010	54	54	R 4,731, 238.19	
2011	64	55	R 7,613,350.02	
2012	61	51	R 3,149 458.10	
2013	59	55	R 5,482,852.52	
2014	82	77	R 9,806,959.48	
2015	94	*pending 2015 year end academic results	R12 273 520.50	
Total	414	292 + *pending 2015 year end academic results	R 43 057 378.81	

Increasing the pool of qualified graduates available to the sector

INSETA partnered with public universities and TVET colleges to support youth studying towards full qualifications in areas of scarce and critical skills to the insurance sector. These include B Com Financial Management; Risk Management; Investment Management; Actuarial Science; NCV Financial Management and IT qualifications. A total of **747** learners received bursary funding through these partnerships and **81%** successfully completed their studies.

	YOUTH BURSARIES YEAR 14/15				
No	Institution	Learners started	Learners certified	Bursary Funding	
1	University of Western Cape	27	22	R 699 300.00	
2	University of Free State	19	17	R 613 500.03	
3	Rhodes University	35	34	R 2 903 300.00	
4	University of Pretoria	41	41	R 2 420 625.50	
5	Gert Sibande College	84	44	R 669 662.00	
6	Vuselela College	51	26	R 616 305.00	
7	North West University	45	32	R 1 710 605.77	
8	Umfolozi College	56	49	R 466 775.00	
9	Stellenbosch University	12	6	R 1 058 024.00	
10	Nelson Mandela Metropolitan University	25	23	R 688 863.00	

	YOUTH BURSARIES YEAR 14/15			
No	Institution	Learners started	Learners certified	Bursary Funding
11	University of Johannesburg	61	58	R 1 728 710.00
12	CIDA CITY CAMPUS	16	16	R 960 000.00
13	Ekurhuleni West College	235	196	R 1 032 294.92
14	TSiBA	40	40	R 2 000 000.00
Total Amount 747		747	604	R 17 567 992.22
% certification			81%	

Developing Underwriter and Claims Assessor qualifications

One of the barriers that had been identified for entry into the underwriter and claims assessor professions has been the fact that there is no formal registered occupational qualification. INSETA registered the Underwriter occupational qualification with SAQA through the QCTO in the previous year. Training providers who have shown interest to deliver this occupational qualification will be capacitated for roll out by INSETA and the QCTO in the new financial year. INSETA has funded the development of learning material in support of the Underwriter occupational qualification with subject matter experts from industry. This will be made available to accredited or emerging providers who will be awarded secondary accreditation by the QCTO free of charge to ensure that there are sufficient training providers who can deliver the new occupational qualification.

INSETA has now completed the development of the Claims Administrator Occupational Qualification and has submitted the same to QCTO for registration. A third Occupational Qualification for Financial Services Administrators is in the final stage of development and will be out for public comment later in the year. Discussions are currently being

held with the QCTO to provide clarity in respect of how to implement these new qualifications, and in respect of the registration of this qualification as a learnership.

Articulation of the Wealth Management Career Pathway

During the financial year 120 learners were funded on the Wealth Management Level 5 Learnership with 104 of them completing the Learnership and 72 awarded certificates for successful completion. 59 of these learners have been provided with bursaries to enroll for the Advanced Diploma at the University of the Western Cape. In 2010 a partnership between INSETA, UWC and the Financial Planning Institute (FPI) pioneered an articulation initiative in South Africa. This resulted in a number of artificial barriers to entry being removed in the financial planning sector and provided opportunities for young people looking to carve out a career in the field. The programme offers a "seamless articulation" betweenTVET and Higher Education and Training institutes, and has been successful in increasing the number of qualified professional financial planners; thereby contributing to the transformation of the profession. INSETA continues to support the initiative by providing funding for learnership candidates to register with the TVET colleges to complete

their NQF level 5 Wealth Management Qualification. On completion of their qualification learners can advance to university on a bursary funded by INSETA.

In addition learning materials for Wealth Management NQF 4 and NQF 5, Short Term NQF 4, Long Term NQF 4 and Retail NQF 4 was developed by INSETA. The learning material is available to all accredited or emerging providers, but will be subject to the normal learning programme approval process.

Work Experience for TVET graduates

INSETA planned to provide funding for 600 TVET learners to obtain work experience and managed to fund **425** (2013/14: 4). Although the target was not met, substantial progress has been made in creating a platform for engagement between employers and TVET colleges which will see a year on year increase on the numbers of learners that receive the 18 month placement. We have signed agreements to the value of R23.1million to fund 470 learners in 10 TVET colleges in the year under review. Some of the work placements are scheduled to commence in the new year.

INSETA was appointed by the DHET to be the lead SETA in three TVET colleges. We launched our offices in the

Eastern Cape at Ingwe and Ikhala colleges and in Gauteng at Ekurhuleni West College (remote office). INSETA coordinates the activities of the other SETAs in these colleges around common services like career guidance, bursary funding and workplace placements. A challenge that we continue to experience is in finding workplaces in the rural areas to place the TVET learners who need to obtain valuable work experience to make them more employable.

INSETA 'Captains of Industry' leadership programme

Through sector skills research and industry engagements a need has been highlighted for management and leadership development in the context of current industry drivers and imperatives. A project to address this need was developed and a provider contracted. INSETA has since launched the first intake for the 'Captains of Industry' management programme.

Levy paying employer information

A total of **1765** Levy Payers registered with INSETA for the year under review. The table below illustrates the company size and number of registered levy paying employers as well at the number of Workplace Skills Plans and Annual Training Reports received in 2014.

SUBMISSION OF WSP/ATR 2014/15				
Organisation size	No of registered levy paying employers	Target for submissions	Submitted (2014)	
Large (150+)	76	60	61	
Medium (50–149)	116	58	79	
Small (1-49)	1573	392	434	
Total	1765	510	574	

The submission of Workplace Skills Plans (WSP) and Annual Training Reports (ATR) provides INSETA with valuable data for the Sector Skills Plan.

Quality Assurance of learning

Assessor and Moderator registration and capacitation

INSETA planned to conduct moderator training during the financial year and in this regard appointed a service provider. This was done to capacitate training providers and TVET college lecturers who offer INSETA qualifications. Interest in the programmes was very low and the roll out has been postponed to 15/16 financial year. During the financial year, our ETQA administered **97** applications for assessor of which 31 were new assessor applications; 56 were for reregistrations after lapse of scope; and 10 were for extension of scope applications. **44** moderator applications were considered of which 14 were for new moderators and 30 for re-registrations as moderators after their scope has lapsed.

Certification of Learners

A total of 3740 (2013/14: **6415)** certifications were verified by ETQA for learnerships, skills programmes and full qualifications registered with INSETA. A drop in number of learnerships certified (-17.5%) and skills programmes (-70%) certified took place. INSETA has contracted 4 verifiers to increase the verification and certification backlog.

The decline in certification numbers was also occasioned by the fact that nine training providers for various reasons stopped offering INSETA qualifications or closed down their businesses. INSETA assisted some of the providers with the uploading of learner credits through bulk-uploads but there remains approximately **600** learner records which will need to be reviewed and uploaded. INSETA has contracted a provider to conduct this technical exercise.

QUALITY ASSURANCE OF LEARNING BY ETQA FOR THE PERIOD				
Certification	2013/14	2014/15		
	Numbers	Numbers		
Learnerships	560	462		
Skills Programmes	4 790	1 448		
Full qualifications	1 065	2 230		
Total	6 415	3 740		

Monitoring of Training Providers

INSETA conducts monitoring of training providers every alternate year to ensure capacity and consistent delivery of quality learning. Monitoring was conducted at the premises of 10 training providers in the year under review.

Support for Small Businesses and Burial Societies

Various skills programmes were provided to support small businesses and Burial Societies. INSETA has provided support and funding to 135 Burial Societies. A total of 782

(2013/14:507) Burial Society members benefitted from short programmes in Financial Management; Bookkeeping; Secretarial; Treasurer training and IT skills. This year INSETA provided support and funding to 1010 small businesses. In the year under review 2407 (2013/14:0) small business workers received learning support through bursaries and short skills programmes.

FAIS support continues to be provided with dedicated FAIS programmes, learning material and examination preparation workshops. INSETA also has a dedicated Broker Network to

support 1579 small brokers. To encourage participation of small employers, INSETA runs a dedicated SMME Learnership programme whereby the recruitment of learners, project management, administration and payment of stipends and the training is coordinated by INSETA. The programme is being delivered to 236 learners in 6 provinces.

Broker Development Programme

The pilot programme was launched to mentor and support SME brokers within the insurance sector. 8 brokers were shortlisted to participate in the pilot from 54 hopeful applicants. ASISA Enterprise Development Programme has been contracted to deliver the pilot research will be conducted as part of the programme to look at helping more small brokers by scaling the model. The programme will be delivered in 2 parts:

Part one: Broker Development Support

- Each brokerage receiving an assessment of the existing state of their business and hindrances to growth;
- A customised growth plan;
- A personalised growth implementation plan;
- Practical experience for business development support for the duration of the project;
- Specialist practice development consulting (product, marketing, accounting and legal);
- Best practice 'on-going business performance reporting'; and
- Targeted mentoring and skills development, designed for the distinct needs of each business.

Part two: Broker Development Research

- Research design aligned to INSETA's strategic aims;
- Best practice benchmarking and a feasibility study of broker development models (shared services, practice

- management training, business development and other key services);
- Engagement with key industry stakeholders, including SME brokers, government, Black Brokers Forum (BBF), insurance sector institutions and broker development practitioners; and
- A recommendation for an optimal leading practice and scalable approaches to broker development.

Promoting insurance sector careers

INSETA actively promoted the insurance sector to the youth as a career of choice. We participated in over **50** career days spanning the nine provinces in both rural and urban areas. INSETA planned to cover all 9 provinces and 2 rural areas in each provinces which was achieved. Altogether INSETA attended 31 exhibitions and covered 534 schools. 18 of these exhibitions took place in rural areas. Highlights in promoting the insurance sector include:

- with the KZN Financial Literacy Programme to host the KZN Financial Literacy competition in rural high schools. INSETA was represented by Board member Mr. Jay Ramsunder who took part in the judging of the competition. The opportunity is used to promote Financial Planning as a career of choice.
- INSETA and other industry associations and employers have partnered with FA News to run the inaugural Insurance Apprentice which is a competition that is run to promote the insurance industry and the talent which the industry has. The winner of the competition won a trip to Lloyd's of London where she will get international exposure to the insurance industry. INSETA was represented in the competition judging panel which was filmed in January 2015 and publicised widely.

- The actuarial profession spearheaded by the Association
 of South African Black Actuarial Professionals (ASABA)
 annually conducts an **Actuarial Fair** which is
 sponsored in part by INSETA. Top achieving learners are
 identified from disadvantaged schools in the Gauteng
 area and invited to participate in a day of learning and
 fun spent with actuarial professionals.
- The updated career guidance brochure is more detailed with a youthful, exciting look and feel.
- Through our established social media presence, we provided insurance career information feeds to our followers under the '#Thinkinsurance' hashtag.

Financial Performance

South Africa's major insurers published excellent financial and performance results in 2014, which indicates that the insurance industry remains stable and is growing. Our levy income exceeded budget. INSETA received levies of R370.8 m during 2014/15 financial year in comparison to 2013/14 (R342.1 million). Mandatory grants were paid to employers

based on 20% of their levies totalling R78.5 million during 2014/15 financial year in comparison to 2013/14 (R102.8 million). This reduced pay-out ratio was in line with the revised grant regulations which reduced the pay-out from 50% to 20%. Our mandatory grant pay-out ratio reduced to 84% (2013/14:95%).

An amount of R 92.8 million which constituted uncommitted surplus funds from the previous financial year was transferred to the National Skills Fund (NSF).

Investments Policy

INSETA funds are managed in terms of its investment policy and are invested with the Corporation for Public Deposits (CPD). Investment income received for the period amounted to R21.4 million during 2014/15 financial year in comparison to 2013/14 (R17.3 million).

Cost of Consultants and Technical Advisors

INSETA's main service providers are listed below:

Consultants and Technical Advisors	Service	Cost for 2014/15
Deloitte	Provide outsourced services in information technology, financial management and various other back office processes. Contracted until March 2016.	R 10 242 390
Business Innovation Group	Provide outsourced internal audit function. Contracted until March 2016.	R 578 000
Auditor General	Perform the external audit function, which is a legislative requirement for all SETAs	R 1 436 000

Audits and performance monitoring

INSETA is proud of the achievement of its 15th unqualified audit from the Auditor General in 15 years of existence. This is attributable to the maturity of our governance framework and internal control systems.

Our internal auditors provided assurance on our internal controls through a risk-based audit. The Department of Higher Education and Training conducted quarterly performance audits.

Future Outlook

INSETA will identify opportunities to give effect to the policy provisions contained in the White Paper on Post Schooling Education and Training in 2015/16.

The following catalytic interventions are being implemented in the year ahead:

- FAIS "Fit and Proper" support: through this
 project INSETA provides support to key individuals,
 representatives and other stakeholders affected by
 the Fit and Proper regulations. This is being done
 through the provision of hands-on training workshops
 and updated learning material towards the regulatory
 exams (RE). INSETA appointed a service provider to
 conduct workshops for re-write candidates which are
 being rolled out nationally.
- Industry-driven Research: over and above its mandated research, INSETA seeks to be an authority on labour market intelligence within the insurance sector towards ensuring that skills development targets and strategic interventions can produce real impact. To this end, this project intends to provide factual data on the status of the industry in terms of transformation, skills needs, job creation opportunities, gaps in qualifications and skills and industry expectations.

We will also focus on the following NSDS III imperatives:

- Continue the conversation with industry players to open up their workspaces to enable delivery in rural areas and at district level:
- Provide assistance to the sector especially small businesses in relation to skills needed to comply with FAIS Fit & Proper and other regulations;
- Create career pathways and qualifications in partnership with public higher and further education institutions; and
- Promote transformation in the Insurance Sector through all levels especially management.

Acknowledgement/Appreciation

I would like to thank the INSETA team who produced excellent performance results for the year under review. I am grateful to our Chairperson, Mzimkulu Msiwa, and all members of our Board and Committees, for their strategic quidance, leadership and unwavering support during the year.

INSETA has an established skilled management team and qualified staff who have a solid understanding of the environment in which we operate. Lastly, I am grateful to our stakeholders for their ongoing commitment and incredible support.

Sandra Dunn

Chief Executive Officer

INSETA

31 July 2015

PART B: Performance Information



1. Statement of Responsibility for Performance Information

Statement of Responsibility for Performance Information for the year ended 31 March 2015

The Chief Executive Officer is responsible for the preparation of the INSETA's performance information and for the judgements made in this information.

The Chief Executive Officer is responsible for establishing, and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the public entity for the financial year ended 31 March 2015.

The INSETA performance information for the year ended 31 March 2015 has been examined by the Auditor General of South Africa and their report is presented on page 92.

The performance information of the entity set out on page 32 to page 57 was approved by the Board.

Sandra Dunn

Chief Executive Officer

INSETA

31 July 2015

2. Auditors Report: Predetermined Objectives

The Auditor-General South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. This is reported under the *Predetermined Objectives* heading in the *Report on other Legal and Regulatory Requirements* section of the auditor's report.

Refer to page 92 of the Report of the Auditors, published as Part E: Financial Information.

3.

3. Overview of INSETA's Performance

Service Delivery Environment

The INSETA Sector Skills Plan (SSP) indicates that skills in demand are within the occupational categories of clerk, administrator, sales worker, managers and professionals, notably at an intermediate and high-level. The scarce and critical skills clusters in the insurance and related services sector represented by the SSP are as follows:

Cluster 1	Advice and sales (Insurance sales representatives and financial investment advisors)
Cluster 2	Information systems (Developer Programmer and Business & Systems Analyst)
Cluster 3	Claims assessing (Claims Investigators, Loss Adjustors, Claims Assessors, etc.)
Cluster 4	Specialist Areas (Insurance Underwriters, Actuaries, ESG, Trustees etc.)

The Burial and Funeral Insurance sub-sector, has expressed a need for support. In order to regulate this sub-sector the need for small organisations to be registered as cooperatives is imperative. There is a requirement for increased consumer education, protection, rights and financial literacy. The insurance sector is well organised through professional bodies and associations. The INSETA has built good relations and partnerships with various organisations to understand and contribute to the sub-sector needs. INSETA remains relevant and is able to meet the demands of all the sub-sectors because of its healthy partnerships. The various sub-sectors are reflected in the Standard Industrial Classification (SIC) Codes table below:

SIC CODE	SCOPE OF COVERAGE / DESCRIPTION
81901	Unit Trusts (or collective investments)
81902	Risk Management
82100	Insurance and Pension Funding, except compulsory social security
82110	Life -Insurance
82120	Pension Funding
82131	Healthcare Benefits Administration
82191	Short-term Insurance
82192	Funeral Insurance
82193	Re-insurance
83300	Activities Auxiliary to Insurance and Pension Funding (including Brokers/Intermediaries)

Organisational Environment

The INSETA Board comprises six constituent nominees who represent the interest of business, six constituent nominees who represent the interest of labour, two ministerial appointees and one independent chairperson. The INSETA Board provides strategic direction to management and plays a crucial oversight role.

INSETA has a permanent staff complement of 35. The INSETA head office is based in Johannesburg. In line with the Minister's request for greater national coverage, regional representation will be extended through TVET Colleges with which INSETA has working relationships. To this end, INSETA established SETA offices in the Eastern Cape at Ingwe and Ikhala TVET Colleges. The core divisions within INSETA are Skills Planning and Research, Learning and Quality Assurance. Support divisions comprise Human Resources, Supply Chain Management, PR and Marketing, Project Management and Outsourced Finance and IT.

INSETA's revenue is primarily obtained from skills development levies.

Key policy developments and legislative changes

In line with the new grant legislation, 49.5 % of skills levies are now allocated to discretionary grant projects, as opposed to a 20% allocation in the previous financial year, with a concomitant decrease in mandatory grant allocations. In essence, this means that INSETA has increased funds available to allocate to discretionary projects.

Regulations governing the spend of discretionary grants, implemented in the 2013/14 financial year, stipulate that a minimum of 80% of funds must be spent on "PIVOTAL" programmes, these are to support programmes in the field of professional, internship, vocational, occupational, technical, academic and learning program categories. The remaining 20% may be spent on catalytic interventions, such as those that respond to key industry drivers and needs outside these stipulated categories.

Strategic Outcome Oriented Goals

INSETA has identified six strategic goals that contribute to the NSDS III vision of a "skilled and capable workforce". A seventh goal focuses on Operational Efficiency.

4. Performance Information by Programme

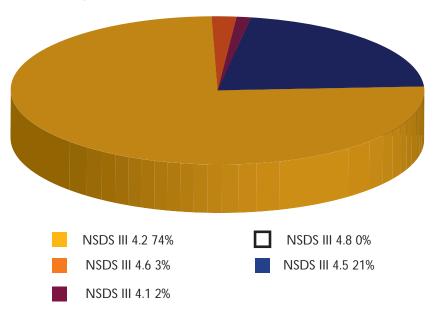
The table below represents a high-level summary of the programmes, including discretionary project funding allocations that align with INSETA strategy and support the NSDS III Strategic Goals.

NSDS STRATEGIC OUTCOME- ORIENTED GOAL	NSDS III INDICATOR	INSETA PROGRAMME	FUNDING ALLOCATED
A credible institutional mechanism for skills planning	4.1	Research and Benchmarking	R 15 326 775 (3 active projects)
Effective established career and vocational guidance channels	4.8	Youth Education and Development	R 2 305 000 (2 active projects)
Increased access to Occupationally directed programmes	4.2		R 526 613 717 (14 active projects)
Better use of workplace-based skills development	4.5	Scarce and Critical Skills	R 146 628 609 (8 active projects)
Training and support provided to Sector Cooperatives, Small Enterprises and NGO's	4.6	Small and Micro Enterprise Development	R 21 916 724 (3 active projects)
			R 712 790 824
Total	(30 active projects)		

Funding Distribution per programme

Discretionary grant projects that were active in the 2014/15 financial year are distributed across NSDS indicators in the following percentages:





Discretionary projects and programmes remains a mechanism for INSETA to take a lead in meeting skills needs of the industry while also meeting national skills development objectives. However, INSETA's success as an industry ambassador is heavily dependent on the commitment of our stakeholders, particularly as youth development and workplace learning are key components which rely on our employers. A culture of commitment to serious partnerships is imperative so that INSETA can work together with its employer organisations towards meeting national and industry goals and objectives.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 1		bnal Benchmarking ism for skills (NSDS III	Develop Sector Skills Plan (SSP)	Number of Workplace Skills Plans (WSPs) received from employers reflects the current supply and demand for skills statistics in the sector	
				Number of scarce and critical skills identified	
				Number of sector endorsements received for the sector skills plan	
				Number of sector skills plans distributed to stakeholders	
				Number of employers that endorse the sector approved organising framework for occupations (OFO) codes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
Board approved the SSP which complied fully with the format required by DHET and this was endorsed by the sector. The SSP was distributed to stakeholders.	1300 employers participated	1309	+9	The target has been met and exceeded by 9 more employers.
	10 scarce and critical skills identified	10 scarce and critical skills identified	-	The target has been met.
	Board Approval 3 Professional Body Endorsements	SSP Approved by Board 4 Professional Body Endorsement	+1	The target has been met and exceeded by 1 professional body endorsement.
	1500 SSP distributed through various mediums	1515 SSPs have been distributed to stakeholders	+15	The target has been met and exceeded by 15. The SSP was distributed to 15 more stakeholders than planned.
	100 Large and Medium employers endorse the OFOs	140	+40	The target has been met and exceeded by 40 employers. This overachievement is consistent with the mandatory grant target achievements.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 2	Increased access to Occupationally directed programmes (NSDS III Indicator 4.2)	Youth Education and Development	Number of Youth entering learning programmes	Number of youth receiving bursaries	
				Number of youth entered in Learnerships	
				Number of youth entered in skills programmes	
			Number of youth completing learning programmes	Number of youth completing bursary funded programmes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
Unemployed Youth Entered: 616 Bursaries	300	880	+ 580	The target has been met and exceeded by 580. There was sufficient budget in the project to accommodate the increased interest from public universities and TVET Colleges
Unemployed Youth Entered: 1342 Learnerships	2000	2029	+ 29	The target has been met and exceeded by 29. The positive variance has been a result of stakeholder engagements.
Unemployed Youth Entered: 1405 skills programmes of which 1 was not funded from Discretionary grant funds	1000	1017	+ 17	The target has been met and exceeded by 17. Positive variance due to a deliberate strategy to target more youth to mitigate the risk of no shows on date of training.
Unemployed Youth Completed: 633 Bursaries	175	878	+ 703	The target has been met and exceeded by 703. Positive variance is due to higher number of bursaries awarded in previous financial year

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 2	Increased access to Occupationally directed programmes (NSDS III Indicator 4.2)	Youth Education and Development	Number of youth completing learning programmes	Number of youth completing learnership programmes	
				Number of youth completing skills programmes	
			Number of youth receiving full or part qualifications	Number of youth receiving full or part qualifications through bursaries	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
Unemployed Youth Completed: 465 Learnerships	940	651	-287	The target has not been met by 287. The underachievement of this target is due to the delay in the submission of completion reports by some employers.
Unemployed Youth Completed 1405 Skills programmes of which 1 was not funded from discretionary grand funds	800	1057	+ 257	The target has been met and exceeded by 257. The achievement is consistent with the number of learners entering skills programmes in the 4th quarter of the previous financial year.
Certificated 488 bursaries	150	701	+551	The target has been met and exceeded by 551. Positive variance is due to higher number of bursaries awarded in previous financial year

N	O	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GUAL 2		Increased access to Occupationally directed programmes (NSDS III Indicator 4.2)	Youth Education and Development	nd Development receiving full or part qualifications	Number of youth receiving full or part qualifications through Learnerships	
					Number of youth receiving full or part qualifications through skills programmes	
				Number of Youth supported with workplace experience through internship programmes	Number of youth entering internship programmes	
				Number of youth completing internship programmes	Number of youth completing internship programmes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
465 learnerships	660	277	-383	The target has not been met by 383. Achievement of this target has been affected by the delay in the submission of reports and requests by providers for verification
182 skills programmes of which 19 were not funded from discretionary grant funds	700	1084	+384	The target has been met and exceeded by 384. The positive variance is occasioned by a higher number of entrants into the prior year programme resulting in a higher certification rate.
643 entered internships	1500	1061	-439	The target has not been met by 439. The target represented a substantial increase from the achievement of 2013/14 but has fallen short of the requirement. Non-achievement is due to employers requesting later start dates.
207 completed internships	480	489	+9	The target has been met and exceeded by 9 interns completing internships.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 2	Increased access to Occupationally directed programmes (NSDS III Indicator 4.2)	Youth Education and Development	Number of youth accepted into employment after completion of internship programmes	Number of youth accepted in to employment after completion of internship programmes	
GOAL 3	Better use of workplace-based skills development (NSDS III Indicator 4.5)		Workers entering learning programmes through bursaries, skills programmes and learnerships	Number of workers receiving bursaries	
				Number of workers entered Learnerships	
				Number of Workers entering in skills programmes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
53 employed	350	181	-169	The target has not been met by 169. Target achievement is based on information extracted from completion reports as there is no effective electronic system and monitoring has not been implemented robustly.
1268 bursaries	1500	1485	-15	The target has not been met by 15. The variance is due to the students not taking up the bursary allocation or not submitting the required registration documentation.
Entered 1315 employed learnerships	1000	1153	+153	The target has been met and exceeded by 153. The positive variance is due to the greater than expected take up of learnerships by employers.
2971 skills programmes	2000	2669	+669	The target has been met and exceeded by 669. The positive variance is due to greater than expected take up of skills programme grants by employers

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
Q	Better use of workplace-based skills development (NSDS III Indicator 4.5)	Addressing scarce and critical skills needs	Workers completing learning programmes	Number of workers completing bursaries	
				Number of workers completing learnerships	
				Number of workers completing skills programmes	
			Workers achieving full or part qualifications	Number of workers receiving full or part qualifications through bursaries	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
1003 employed bursaries	840	555	-285	The target has not been met by 285. Approximately 600 beneficiaries commenced their studies in the fourth quarter of 2013/14 financial year and completion reports from employers are still pending.
106 employed learnerships	700	453	-245	The target has not been met by 245. The underachievement of this target is due to the delay in the submission of completion reports by some employers.
2574 employed skills programmes	1400	2651	+1251	The target has been met and exceeded by 1251. The positive variance is consistent with the number of workers entering skills programmes.
1148 employed bursaries	720	555	-165	The target has not been met by 165. The variance is due to the approximately 600 beneficiaries who commenced their studies in the fourth quarter of 2013/14 financial year and completion reports from employers are still pending.

NO	STRATEGIC	PROGRAMMES	STRATEGIC	PERFORMANCE	
NO	OUTCOME ORIENTED GOAL	PROGRAMMES	OBJECTIVE TITLE	INDICATOR	
GOAL 3	Better use of workplace-based skills development (NSDS III Indicator 4.5)	Addressing scarce and critical skills needs	Workers achieving full or part qualifications	Number of workers receiving full or part qualifications through learnerships	
				Number of workers receiving full or part qualifications through skills programmes	
				Workers certificated through Recognition of Prior Learning (RPL) interventions	
			Mandatory Grant paid to large firms	Mandatory grant paid to large firms	
			Mandatory Grant paid to medium sized firms	Mandatory grant paid to medium size firms	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
Workers Certificated 106 employed learnerships	600	185	-415	The target has not been met by 415. Achievement of this target has been affected by the delay in the submission of reports and requests by providers for verification
2336 skills programmes	1800	2180	+380	The target has been met and exceeded by 380. The positive variance is consistent with numbers entered and completed.
310	100	102	+2	The target has been met and exceeded by 2 workers receiving concessions through RPL.
74 of large firms qualified for mandatory grants. 119% achievement	80% (60) of large firms qualify for mandatory grants	80.3% (61)	+2% (1)	The target has been met and exceeded by 1 employer.
88 of medium firms qualified for mandatory grants. 142% achievement	50% (58) of medium sized firms qualify for mandatory grants	68% (79)	+36% (29)	The target has been met and exceeded by 21 medium sized firms submitting workplace skills plans. Workshops were held to promote the participation of employers in workplace skills planning.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 3	Better use of workplace-based skills development (NSDS III Indicator 4.5)	Addressing scarce and critical skills needs	Mandatory grant paid to small firms	Mandatory grant paid to small firms	
GOAL 4	Training and support provided to sector cooperatives, small enterprises and NGOs (NSDS Indicator 4.6)	Small Business and Cooperative Support	Support small and Micro enterprises and cooperatives through entering learning programmes	Number of small businesses supported in skills programmes	
				Number of small businesses supported with bursaries	
				Number of cooperative (Burial Societies) supported in skills programmes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
598 of small levy paying firms qualified for mandatory grants. 91% achievement	25% (393) of small firms qualify for mandatory grants	27.5% (434)	+10% (41)	The target has been met and exceeded by 41 small levy paying firms submitting workplace skills plans. Workshops were held to promote the participation of employers in workplace skills planning.
0	1000	2235	+1235	The target has been met and exceeded by 1235 small business workers entering skills programmes. The overachievement is as a result of a campaign to encourage small business worker participation in skills programmes.
0	500	172	-328	The target has not been met by 328. This is due to a low take up rate of bursaries and a high take up of skills programmes.
507 cooperatives members supported in non-accredited skills programmes	700	782	+82	The target has been met and exceeded by 82 burial society members entering skills programmes. The overachievement is as a result of a campaign to encourage burial society's member participation in skills programmes.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 4	Training and support provided to sector cooperatives, small enterprises and NGOs (NSDS Indicator 4.6)	Small Business and Cooperative Support	Support small and Micro enterprise and cooperative completing learning programmes	Number of small businesses completed skills programmes	
				Number of small businesses completed bursary funded programmes	
				Number of cooperatives (Burial Societies) completed skills programmes	
			Support small and Micro enterprise and cooperative to achieve full or part qualifications	Number of small businesses receiving full or part qualifications through skills programmes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
0	700	931	+231	The target has been met and exceeded by 231 small business workers completing skills programmes. The target is consistent with the number of small business workers entering skills programmes.
0	210	216	+6	The target has been met and exceeded by 6 beneficiaries.
507 cooperatives completed	490	683	+193	The target has been met and exceeded by 193. This achievement is a result of relationship building by Skills Division and explaining importance of completing programmes to Burial Societies.
0	600	938	+338	The target has been met and exceeded by 338 small business workers receiving part qualifications through skills programmes. The entering and completion numbers were high and explain the overachievement.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 4	Training and support provided to sector cooperatives, small enterprises and NGOs (NSDS Indicator 4.6)	Small Business and Cooperative Support	Support small and Micro enterprise and cooperative to achieve full or part qualifications	Number of small businesses receiving full or part qualifications through bursaries Number of cooperatives (Burial Societies) receiving full or part qualifications through skills programmes	
			and increase numbers of brokers on database of national brokers and intermediaries Provide support to small and microenterprises and cooperatives through various initiatives such as information sharing	Develop and maintain database Number of brokers on the database increased to target	
				Number of small and micro enterprises supported through various initiatives such as information sharing workshops, learnerships, bursaries, skills programmes and non-accredited but relevant industry related interventions to meet consumer and regulatory requirements Number of cooperatives including burial societies	
			erships, bursaries, skills programmes and non-accredited but relevant industry related interventions to meet consumer and regulatory requirements	supported through various initiatives such as information sharing workshops, learnerships, bursaries, skills programmes and non-accredited but relevant industry related interventions to meet consumer and regulatory requirements	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
O Small business support was for non-accredited programmes	180	216	+36	The target has been met and exceeded by 36.
O Cooperatives have chosen the certification option in the current training	420	683	+263	The target has been met and exceeded by 263 Burial Society members receiving part qualifications through skills programmes. The achievement is consistent with the entering and completion numbers.
Database was maintained on a monthly basis	Database Main- tained	Achieved	-	The target has been met
1500	1550	1579	+29	The target has been met and exceeded by 29 brokers added to the broker database. The broker network remains popular with brokers.
	1000	1010	+10	The target has been met and exceeded by 10 small and micro enterprises.
	100	135	+35	The target has been met and exceeded by 35 burial societies.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 5	Building career and vocational guidance (NSDS III Indicator 4,8)		Develop a career guide	Review and update career guide	
			Review and update career guide (include revised occupational codes)	Provide career guidance and development to youth both within the sector and new entrants to the sector for the next five years	
			To provide career guidance development to youth both within the sector and new entrants to the sector for the next five years	Partner with TVET Colleges for career guidance	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
Review has been conducted and a complete redraft was done. INSETA participated in the 2013 RiskSA INMAG which is a career guide for the insurance sector	1 December 2014	Updated	-	The target has been met.
9 provinces	9 Provinces and rural and remote areas	9 Provinces including rural and remote	-	The target has been met.
2 Agreements in place with INGWE and IKHALA TVET Colleges	7 TVET Colleges and 1 industry body	10 colleges 1 industry body	+3 Colleges	The target has been met and exceeded by 3 TVET colleges that partnered with INSETA for career guidance.

NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 6	Promoting the growth of the pubic TVET sector college system that is responsive to the sector, local, regional and national skills needs and priorities (NSDS III	TVET College Programme	TVET Colleges awarded pro- gramme approval as INSETA training providers	Number of TVET lecturers developed to support the implementation of INSETA programmes	
	Indicator 4,3)			Number of programme approvals awarded to TVET Colleges	
			TVET graduates supported to access workplace experience through internships and/ or Learnership programmes	Number of TVET graduates supported to access workplace experience through internship programmes	
			TVET graduates completing work- place experience through internship programmes	Number of TVET graduates completing workplace experience through internship programmes	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
0	2 X 4 Colleges	8 Lecturers 2 Colleges	-2 colleges	The target has been partially met. 8 lecturers were trained however, they were sourced from 2 Colleges as there was a lack of interest from other partner Colleges.
0	1 X 4 Colleges	4	-	The target has been met.
4	600	425	-175	The target has not been met by 175 TVET graduates. INSETA pledged to support 185 additional TVET graduates in the Umgungungdlovu district. This pledge did not materialise in the financial year under review and will be given effect in the 2015/16 financial year.
N/A	4	4	-	The target has been met

					1
NO	STRATEGIC OUTCOME ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 7	Organisational Effectiveness	Operational Performance	Effective corporate governance	Number of strategic risks identified and mitigated through board risk assessment workshop	
				Number of significant commitment related findings decreased	
			Implement a Quality Management System	Number of policies reviewed and aligned to applicable legislation	
			Establish effective SCM unit	Number of employees trained in the use of approved policy and processes	
				Number of key positions filled	
				Number of employees receiving SCM related training	
				Number of significant SCM findings	
			Discretionary fund project spend and commitment rate	Discretionary fund project spend and commitment rate	

ACTUAL ACHIEVEMENT 2013/14	PLANNED TARGET 2014/15	ACTUAL ACHIEVEMENT 2014/15	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATIONS
Board Risk Assessment Workshop took place to identify strategic risks. Management completed the process. Mitigation strate- gies are in place	All risks are identified and achieved and mitigated	Not achieved	-	The target has not been met
Unqualified audit and decrease in number of commitment related findings	Unqualified audit and no com- mitment related findings	Achieved as measures previous years audit	-	The target has been met
The policies that have been identified have been reviewed and approved according to the policy schedule.	All policies are reviewed, revised and/or approved	Achieved	-	The target has been met
Staff were trained on relevant policies.	All staff trained on relevant policies and processes	Achieved	-	Target has been met (POPI training)
The organogram of SCM unit is fully capacitated.	All key SCM positions filled	Achieved	-	The target has been met
Training session held in March 2014.	All staff involved with SCM receive appropriate training	Achieved	-	Target has been met
1 irregular expenditure 1 non-compliance with rules and regulations.	Decrease in num- ber of SCM find- ings (from previous years audit)	Achieved	-	Target has been met
89%	95%	Achieved	-	The target has been met

5. Summary of Financial Information

Revenue Collection

		2014/2015			2013/2014			
Sources of revenue	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection		
	R′000	R'000	R′000	R′000	R'000	R'000		
Skills Levies	R346 139	R370 840	R24 701	R320 499	R342 068	R21 569		
Levies: Penalties and interest	RO	R7 136	R7 136	R0	R3 076	R3 076		
Investment and other income	R13 500	R22 497	R8 997	R13 000	17 325	R4 325		
Total	R359 639	R400 473	R40 834	R333 499	R362 469	R29 870		

INSETA had an 8% growth on levy income and exceeded the planned targets for revenue collection. The increase in levies received is due to increases in the salaries paid in the insurance sector and 160 new levy contributing companies joining INSETA in the current year.

Strategy to overcome areas of under performance

INSETA has put planned strategies in place to address areas of underperformance.

Changes to planned targets

Changes to performance indicators during the year under review were submitted to DHET in an addendum and approved.

6. Highlights











Promotion of the Insurance Sector

INSETA promotes the Insurance Sector as a preferred career of choice. This is done through career guidance in all 9 provinces especially in rural areas.

Association of Black Actuaries hosts the annual Actuarial Fair and INSETA supports the event. Top maths and science high school learners are invited to spend a day interacting with Actuaries









A partnership to develop black Actuaries

In the 2014/15 financial year, INSETA funded 82 learners on the South African Actuarial Development Programme to the value of R9 806 959. The SAADP programme continues to see high potential university students receiving financial support to achieve their actuarial science qualifications. As actuarial science is considered to be one of the most difficult and challenging course, SAADP also motivates and identifies the support that these students need.

partnership to develop black Actuaries





Supporting TVET Colleges







Supporting TVET Colleges

INSETA is a lead SETA for 2 colleges in the Eastern Cape which are Ingwe and Ikhala; and also Ekurhuleni West College in Gauteng. INSETA funded 426 bursaries for learners in TVET colleges.

PART C: Governance



"Good men prefer to be accountable."

Michael Edwardes

1. The Report of the Accounting Authority

As the INSETA Accounting Authority, it is the Board's responsibility to prepare Financial Statements that fairly represent INSETA's Financial Position as at 31 March 2015 and also the Financial Performance and Summary Cash Flow Activities for the year ending 31 March 2015. We are of the opinion that appropriate Accounting Policies, supported by reasonable and prudent judgements and estimates, have been applied on a consistent basis. The Financial Statements comply with the prescribed Standards of Generally Recognised Account Practice (GRAP) and with any interpretations of such Statements issued by the Accounting Standards Board.

Corporate Governance

From the outset both the INSETA's Board and Management identified good corporate governance, as one of its critical success factors, by setting the highest standards that comply with best practice and this stance remains unchanged as the SETA ends its fourteenth year of operations. The Board is supported in its functions and duties by the Audit Committee, the Finance, IT & Administration Committee and the HR/Remuneration Committee all of which have been functional since the establishment of INSETA.

The Audit Committee is governed by a Charter, which outlines its roles and responsibilities. The Finance, IT & Administration Committee and HR/Remuneration Committee abide by a Terms of Reference.

INSETA has compiled a Fraud Prevention Plan and a high-level risk profile has been developed to identify, manage and control the business risks of the SETA. Numerous divisional policies have also been implemented to manage the day-to-day operations of the SETA. These policies are approved by the Board and are reviewed from time to time.

General review of the State of Affairs

INSETA promotes and represents the training and development interests of the Insurance Sector of the economy in terms of the skills development legislation. INSETA's mission is "to promote and enable quality skills development through funding education and training in South Africa to meet the national skills agenda and contribute to transformation in the sector".

The Insurance Sector is a rapidly evolving, growing and developing major player in the South African economy. 9 595 employers within the Insurance Sector have registered with the South African Revenue Services, with 2 233 classified as levy contributors. INSETA represents a sector with a diverse range of employers, ranging from very small (10 employees) to very large (in excess of 12,000 employees). The majority of the workforce represents skilled and highly skilled employees. The sector employs over 100 000 people (excluding people employed in micro-enterprises and informal businesses).

The Board, comprising Business, Labour and Ministerial appointments, governs the affairs of INSETA. INSETA currently has a permanent staff complement of 35 as at 31 March 2015.

INSETA has adopted a learning strategy, which is aimed at all levels of employment in the sector and is aligned to the National Skills Development Strategy.

INSETA's 80% levy income increased by R29 million from R342 million for the 2013/14 financial year to R371 million for the 2014/15 financial year. Changes in levy income estimates relating to prior years are included in the current year balances. The administration surplus for 2014/15 was

R6.8 million (2013/14 R3.2 million). The actual administration expenditure for the current financial year was R41.9 million (2013/14 R41.2 million). Total project and grant expenditure for the current financial year amounted to R407 million (2013/14 R236.5 million).

Allowances paid to Board members and Board sub-committee members

Board and Board Sub-Committee members' or their employers are remunerated for their attendance at Board and Board Sub-Committee meetings. Disclosure of the allowances paid is in accordance with Treasury Regulation 28.1.2 and is as follows:

Designation	Meeting fee per day	Annual allowance*
Chairperson	R 4 608	R92 813
Ordinary member	R 3 584	72 161

^{*}The annual allowance is pro-rated in accordance with the number of meetings attended in a financial year.

Name of Board/ Committee member	Name of Committee that member serves on	Meeting fees accrued during the period under review	Allowance accrued during the period under review	Total Amount accrued during the period under review
A. D'Alton (Ms.)	Board	R21 504	R72 161	R116 705
	HR Committee (Chairperson)	R23 040		
A. Keet (Prof.)	Board	R7 168	R26 240	R40 576
	HR Committee	R7 168		
B. McKay (Mr.)	Board	R21 504	R72 161	R108 001
	Audit Committee	R10 752		
	Joint Audit and Finance Committee	R3 584		
B. Scott (Mr.)	Board	R21 504	R72 161	R112 481
	Finance, IT and Administration Committee	R10 752		
	Joint Audit and Finance Committee	R3 584		
	Special Committee	R4 480		

Name of Board/ Committee member	Name of Committee that member serves on	Meeting fees accrued during the period under review	Allowance accrued during the period under review	Total Amount accrued during the period under review
C. Duma (Mr.)	Board	R14 336	R52 481	R81 153
	HR Committee	R14 336		
G. Conradie (Ms.)	Board	R14 336	R55 509	R104 117
(IVIS.)	Executive Committee	R21 504		
	Special Committee	R12 768		
G. Sandrock (Dr.)	Audit Committee	R57 570		R57 570
J. Poggiolini (Ms.)	Audit Committee (Chairperson)	R86 400		R132 300
	Board (Ex-officio capacity as Chairperson of Audit Committee)	R45 900		
J. Ramsunder	Board	R21 504	R72 161	R108 001
(Mr.)	Audit Committee	R10 752		
	Joint Audit and Finance Committee	R3 584		
M. Machai (Dr.)	Board	R21 504	R56 125	R106 301
	Executive Committee	R14 336		
	HR Committee	R14 336		
M. Msiwa (Mr.)	Board (Chairperson)	R23 040	R71 395	R117 475
	Executive Committee (Chairperson)	R23 040		
M. Naidoo (Ms.)	Board	R21 504	R63 672	R123 704
	Executive Committee	R21 504		
	Finance, IT and Administration Committee	R10 752		
	Special Committee	R6 272		

Name of Board/ Committee member	Name of Committee that member serves on	Meeting fees accrued during the period under review	Allowance accrued during the period under review	Total Amount accrued during the period under review
R. Govenden (Mr.)	Board	R10 752	R49 958	R82 214
(1411.)	Executive Committee	R21 504		
S. Padayachee	Board	R21 504	R72 161	R110 241
(Ms.)	Finance, IT and Administration Committee	R10 752		
	Joint Audit and Finance Committee	R3 584		
	Special Committee	R2 240		
T. Gool (Mr.)	Board	R14 336	R43 297	R64 801
	Finance, IT and Administration Committee	R7 168		
V. Harrypersadh	Board	R17 920	R65 601	R101 441
(Ms.)	HR Committee	R17 920		
W. Seya (Mr.)	Board	R 21 504	R63 672	R123 640
	Executive Committee	R17 920		
	Finance, IT and Administration Committee (Chairperson)	R13 824		
	Joint Audit and Finance Committee	R 3 584		
	Special Committee	R 3 136		
Nala Mhlongo (Mr.)	Audit Committee	R97 200		R97 200
J van Greuning	Finance, IT and Administration Committee	R10 752	R45 101	R59 437
(Mr.)	Joint Audit and Finance Committee	R3 584		
Total		R893 502	R953 856	R1 847 358

Remuneration of Senior Management

As required by Treasury Regulation 28.1.2 of the Public Finance Management Act, the remuneration of senior management during the period of reporting consisted of the following components:

CEO: Sandra Dunn

	2014/15	2013/14
Basic Salary	R 1 438 732	R 1 361 147
Bonuses	R 245 006	R 326 657
Travel Expenses and Allowances	R nil	R nil
Total	R 1 683 738	R 1 687 822

The Chief Executive Officer also acts as the Chief Financial Officer of INSETA.

COO: Sharon Snell

	2014/15	2013/14
Basic Salary	R 1 034 065	R 961 921
Bonuses	R 92 184	R 85 598
Travel Expenses and Allowances	R 7 200	R 7 200
Total	R 1 133 449	R 1 054 719

Business Address

The Insurance Sector Education and Training Authority is situated at 37 Empire Road, Parktown Johannesburg. The postal address is P O Box 32035, Braamfontein, 2017.

Mzimkulu Msiwa

Chairperson, INSETA

Sandra Dunn

Chief Executive Officer, INSETA

Corporate Governance

Corporate governance with regard to INSETA is applied through the rules of the Public Finance Management Act (PFMA) and is aligned to the principles contained in the King III Report on Corporate Governance. The Accounting Authority of INSETA is ultimately responsible for corporate governance.

Portfolio Committees

During the period under review INSETA was not invited to attend any Higher Education portfolio committee meeting.

Executive Authority

INSETA submitted both financial and performance reports to the DHET on a quarterly basis in accordance with the PFMA precepts and DHET conducted verification visits at INSETA on a quarterly basis. The Service Level Agreements and budgets were also submitted timeously. In addition, INSETA reported to National Treasury on a quarterly basis on the performance towards the Annual Performance Plan.

Compliance with laws and regulations

INSETA has complied with all applicable laws and regulations that are binding on the entity.

Minimising conflict of interest

INSETA has a number of strategies in place to minimise conflict of interest in supply chain management. All Supply Chain Management (SCM) practitioners and INSETA managers received SCM refresher training during the course of the year. The practitioners also signed the INSETA Code of Conduct for SCM officials which provides for disclosures. A record is kept of all disclosures and all bid/tender committees have disclosure processes. There is adequate segregation of duties to avoid potential conflict of interest in the various SCM and payment roles. INSETA also maintains a gift register where all gifts received by officials are recorded and this register is reviewed regularly.

Code of Conduct

All employees sign a Code of Conduct /Ethics when they commence their employment with INSETA. Suppliers who contract with INSETA have to sign a Code of Conduct for Providers. This raises awareness that a certain standard of behaviour and ethical conduct is required when transacting with INSETA. Where there is a breach of the relevant codes, INSETA is entitled to pursue a remedy either disciplinary or by other rights granted by the contract. There have been no reports of breaches during the period under review.

Fraud and corruption

We have previously reported that INSETA received information relating to allegations of false learnership stipend claims by three employers in the Western Cape. The matter was investigated and handed over for civil and criminal action. In all 3 instances judgement has been granted in favour of INSETA and we are pursuing debt recovery measures.

Health, Safety and Environmental Issues

INSETA experienced an armed robbery in the course of the year and as a result appointed a security consultant to review the physical security of the building. As a result measures have been taken by both the landlord and INSETA to improve security. Our Health and Safety Officers received Safety and First Aid Training.

Social Responsibility

INSETA focused on disability awareness as an area of social responsibility. We partnered with the Ministry of Women, Children and Persons with Disability to host the National Disability Awards. This event is the national celebration to commemorate International Day of Persons with Disabilities and was held in Port Elizabeth on 3 December 2014. It was also linked to the 20 years of democracy celebrations with a focus of disability achievements in the period.

2. The Board



1	Margaret Naidoo	4	Shantha Padyachee
2	Moses Machai	5	Thabit Gool
3	Gizelle Conradie	6	Mzimkulu Msiwa



7	Anne-Marie D'Alton	11	Bryan McKay
8	Jeanine Poggiolini	12	Vanita Harrypersadh
9	William Seya	13	Barry Scott
10	Jayduth Ramsunder		

3. Audit Committee Report to the INSETA Board for the year ended 31 March 2015

We are pleased to present our report for the financial year ended 31 March, 2015.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 4 meetings were held.

Name of member	Number of meetings attended
Ms. Jeanine Poggiolini (Chairperson)	4
Mr. Bryan McKay	4
Mr. Jay Ramsunder	4
Dr. Gerrit Sandrock	4
Mr. Nala Mhlongo	4

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from sections 51(1)(a)(ii) and 76(4)(d) of the PFMA and Treasury Regulation 27.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The audit committee has, amongst others, reviewed the following:

- The effectiveness of the risk management process;
- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function and their annual work plan, coordination with the external auditors, the reports issued and the response of management to specific recommendations;
- The risk areas of the entity's operations covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of financial information provided to management and users of such information;



- Accounting and auditing concerns identified as a result of internal and external audits;
- Compliance with legal and regulatory provisions; and
- The independence and objectivity of both internal and external auditors.

The audit committee is of the opinion, based on the information and explanations given by management, the internal auditors, and discussions with the independent external auditor on the result of its audit, that the system of internal control for the period under review was efficient and effective.

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor- General and the Accounting Authority;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report on the financial statements, and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

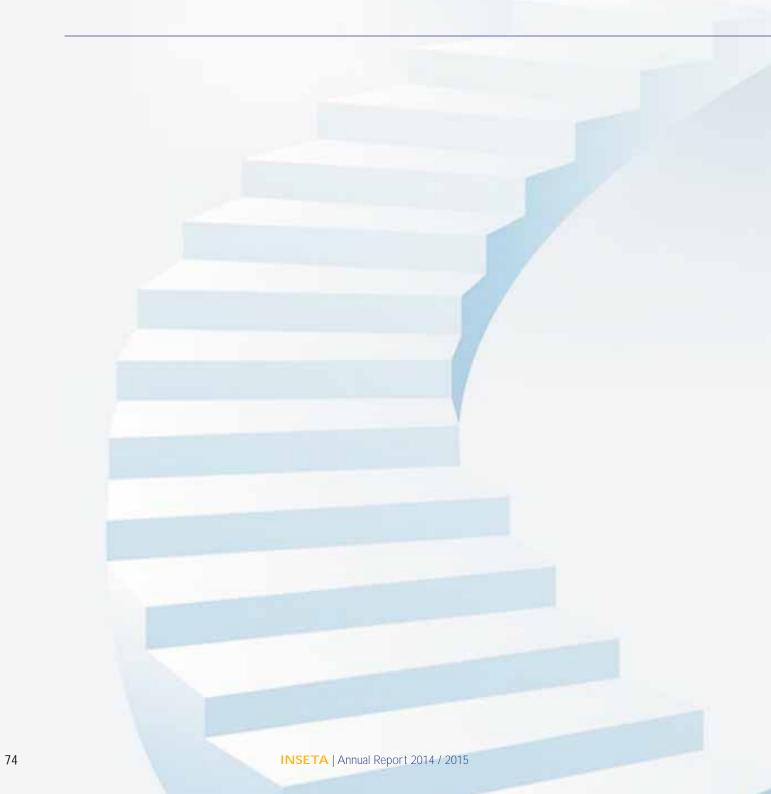
The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Ms Jeanine Poggiolini

Chairperson of the Audit Committee 31 July 2015



PART D: Human Resource Management



"Good teams are committed to the team mission and to each other personally. Good leaders inspire and build commitment and trust."

Lee Ellis

1. Introduction

"Put your people at the heart of your vision and they'll use their talents to achieve it".

Paul Devoy, Investors in People.

Given INSETA's aspiration to be an effective education and training thought leader and enabler within the insurance and related sectors; organisational efficiency and effectiveness remained top of the agenda during the 2014/15 reporting year. The organisation pursued the following overall objectives as part of a roadmap to achieve excellence in respect of its Human Resource Management and Development practices:

- (i) To improve INSETA's responsiveness to stakeholder needs:
- (ii) To improve organisational efficiency through harnessing all available resources; and
- (iii) To position INSETA as an employer of choice.

Organisational structure and workforce size

For the reporting period April 2014 – March 2015, INSETA had a staff complement of 35 permanent employees. However, as at 31 March 2015 there were five unfilled vacancies.

INSETA provided work place experience to 17 TVET interns.

2. Human Resources Statistical Overview

Personnel Expenditure

The table below illustrates personnel expenditure (excluding performance awards) for the financial period April 2014 – March 2015.

In addition to the R14.7 million personnel costs for permanent employees, project related salaries amounted to R2.5 million for non-permanent employees and temp salaries to R242 000.

Level	Personnel Expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
Top Management	R 2 479 998	17%	2	R 1 239 999
Senior Management	R 5 529 102	37%	7	R 789 872
Professional qualified	N/A	N/A	N/A	N/A
Skilled	R 4 793 026	33%	13	R368 694
Semi-skilled	R 1 780 648	12%	10	R
Unskilled	R 165 297	1%	1	R161 877
Total	R 14 748 071		33	

Performance Rewards

Level	Performance rewards	Personnel Expenditure	% of performance rewards to total personnel cost
Top Management	R 337 190	R 2 479 998	14%
Senior Management	R 310 169	R 5 529 102	6%
Professional qualified	-	N/A	-
Skilled	R 261 814	R 4 793 026	5%
Semi-skilled	R 127 407	R 1 780 648	7%
Unskilled	R 13 070	R 165 297	8%
Total	R 1 049 650	R14 748 071	7.1%

The table above illustrates employee performance bonuses paid in the financial year of April 2014 – March 2015. In addition Performance rewards in the amount of R71 276 were paid to permanent employees remunerated through projects.

Employment and vacancies

Programme	No. of Employees 31 March 2014	Approved Posts Occupied as at 31 March 2015	Approved Posts Vacant as at 31 March 2015	% of vacancies
Top Management	2	2	0	0%
Senior Management	6	6	1	14%
Professional qualified	N/A	N/A	N/A	N/A
Skilled	10	12	2	14%
Semi-skilled	12	9	2	18%
Unskilled	1	1	0	0%
Total	31	30	5	14%

The table above illustrates the number of occupied posts as at the 31 March 2015 and the number of permanent vacancies during the financial year April 2014 – March 2015 which total 35 post as per the organogram.

Recruitment and talent management

The Labour Relations Act was amended in 2014. The Act now includes strict time limits for all temporary and non-permanent contracts. This prompted a review of the present contractual framework. To this end, it was established that

INSETA is fully compliant and prudent in its management of non-permanent workers.

There were 5 vacancies during the reporting period. Of the 5 vacancies, 1 was within the senior management and 2 in the skilled category and 2 in the semi-skilled category.

Internal Employment Mobility

During the year under review 2014/2015, there were other movements that occurred through resignations as illustrated in the table below. There was 1 staff promotion in the skilled category and two movements from non-permanent to permanent.

Salary Band	Employment at beginning of Period	Appointments	Terminations	Employment at specified period
Top Management	2	0	0	2
Senior Management	6	1	1	6
Professional qualified	0	0	0	0
Skilled	10	2	3	12
Semi-skilled	12	2	2	9
Unskilled	1	0	0	1
Total	31	5	6	30

The table above illustrates the number of permanent employee changes during the financial year April 2014 – March 2015.

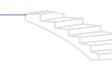
Resignations

Reasons for staff leaving

Reason	Number
Death	0
Resignation	6
Dismissal	0
Retirement	0
III health	0
Expiry of contract	6
Other	0
Total	12

The table above illustrates the reasons that permanent employees and non-permanent employees left the organisation during the financial year April 2014 – March 2015.

INSETA's turnover of permanent staff increased from below 10% in 2013/14 to 17% in 2014/15.



Investment in staff development

INSETA embraces a learning culture and follows a developmental approach to learning. A number of group training sessions were conducted on topics such as supply chain management, computer software (Excel), report writing, health and safety and Investors in People methodology during the year under review

Training Costs

Training was conducted in line with personal development requirements. In total for the financial year, INSETA spent R548 453 in training and development on its employees.

Total salaries for the 2014/15 year amounted to R14 748 071 (excluding project salaries). Training expenditure expressed as a percentage of salary amounted to 3.7% with the average cost of training per employee being R14 063.

Directorate/ Business Unit	Personnel Expenditure (R'000) 2014/2015 excl project salaries & leave pay	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
All	R14 748	R548	3.7%	17 different initiatives/ 39 employees	R14 063

The table above illustrates training costs paid by INSETA during the financial year April 2014 – March 2015.

Performance Management

The INSETA performance management system has been extended in scope and application. Individual and organisational performance is now integrated. It means that all staff are now accountable to achieve the objectives of the Annual Performance Plan as a collective without detracting from individual performance. This is however, still work in progress. In instances of underperformance, appropriate remedial measures have been taken.

Labour Relations: Misconduct and Disciplinary Action

The approach to labour relations is supportive rather than punitive. However, when a need for remedial action arises management takes the necessary steps. The table below provides an indication of the level of intervention entered into in respect of misconduct and disciplinary action. Only one written warning and one final written warning were issued.

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	1
Dismissal	0
Total	2

3. Improvement of Organisational Efficiency and Employer of Choice

Job Profiling and Job Grading

INSETA completed an organisation-wide review and update of staff job descriptions. These job descriptions will inform the implementation of a subsequent job grading system.

Investors in People

At INSETA, people are key to the success of the organisation. During the reporting year INSETA adopted the Investors in People's framework. The framework gives effect to excellence in the workplace. The implementation of the Investors in People has been prioritised.

Management Redeployment

In order to ensure greater efficiency in the use of its resources, INSETA has redeployed two managers. The two areas affected are the Learning Division and Quality Assurance Division. This lateral movement serves to broaden the professional horizon and skills set of the managers.

Health and Safety

During the year under review, INSETA experienced a breach in security at the Parktown office premises. A security task team consisting of board members was established to assess the efficacy of the security measures and to make recommendations for corrective action. An external security consultant advised the task team. A number of improvements were recommended. The process of creating sustainable security vigilance in and around the INSETA premises is ongoing.

Employee Wellness

INSETA acquired the services of an Employment Wellness partner to provide the following services which include:

- Work related stress
- Financial- Money management and debt management
- Legal advice legal matters, maintenance, child custody and divorce
- Relationships spouses, family, work, friends and partners
- Substance abuse: Alcohol and drugs
- Family Matters advice child care, care for the elderly, education and benefits
- Health issues: illness, HIV and AIDS
- Work career matters, maternity, harassment, dealing with your boss and managing others

4. Other Human Resource matters

Union

During the year under review, 15 staff members joined a union. After INSETA and the union signed a recognition agreement, the union has full access to the INSETA workplace. The union official is able to meet with their members and has also conducted elections. INSETA has a positive relationship with the union and engages effectively with regard to union-related matters.

Policy review

INSETA undertook a comprehensive review of its Policies. Management and staff were given an opportunity to comment and make recommendations to the policies thus taking a consultative approach to the policy review.

Remuneration and Reward Strategy

In an effort to continuously promote workplace excellence, INSETA has embarked on the development of a remuneration

and reward strategy. This initiative is scheduled to be completed during the 2015/16 financial year. Operational efficiency and effectiveness will remain important areas of discussion and performance management systems will continue to be enhanced.

5. Employment Equity

INSETA has an active Employment Equity forum. The forum addressed the following issues:

- (i) Training Report
- (ii) WSP / ATR Report
- (iii) Employment Equity Framework Report
- (iv) Effects of the New Employment Equity Amendments of August 2014

The tables below provide information about the status of Employment Equity within the organisation.

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	1	1	1	1	0	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	1	2	0	0	0	0	2	2
Semi-Skilled	2	3	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	4	6	1	1	0	0	2	2

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	2	2	0	0	0	0
Senior Management	1	1	1	1	2	2	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	8	9	0	0	0	0	1	1
Semi-Skilled	6	8	1	1	0	0	0	0
Unskilled	1	1	0	0	0	0	0	0
Total	16	19	4	4	2	2	1	1

Levels	People With Disabilities							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional Qualified	0	0	0	0	0	0	0	0
Skilled	0	0	0	0	0	0	1	1
Semi-Skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	1	1

6. Future Outlook

INSETA will continue to invest in the training and development of staff so that they are well equipped to meet the demands of all stakeholders. A salute to all staff for their commitment to the vision of INSETA and for displaying excellence in the workplace.

Mrs A D'ALTON

HR Committee Chairperson

The Team - Skills Development



1	Aubrey Manganyi	5	Ernest Kaplan
2	Raveena Govender	6	Hector Tshabalala
3	Tasmin Davids	7	Itumeleng Motaung
4	Adeline Singh	8	Bonginkosi Malinga

The Team - CEO Office



1	Sandra Dunn	4	Tshepo Mabika
2	Sibulele Tena	5	Zamokuhle Dhludhlu
3	Sharon Snell	6	Lebogang Makata



7	Errol Hanreck	11	Jabu Mabaso
8	Busisiwe Khumalo	12	Nonhlanhla Nkabinde
9	Ella Matshikiza	13	Zodwa Motloung
10	Lungani Hlongwa		

The Team - SCM



1	Allie Sebola	5	Neesha Naidoo	1	Mamasele Mokoena
2	Lerato Marx			2	Lebogang Phaleng
3	Bonginkosi Mthombeni			3	Vuyokazi Memela
4	Henry Goliath				

The Team - ETQA Division



1	Unathi Jakalase	4	Zanele Mashiane	7	Miranda Mthethwa
2	Ouma Mmethi	5	Esethu Roto	8	Kate Kuhn
3	Tumi Peele	6	Merriam Mashiame	9	Thato Rangaka

The Team - Learning Division



1	Rose Dibakoane	5	Vuyo Diniso
2	Nadia Starr	6	Rosa Sephuma
3	Lavern Ogle	7	Kgothatso Modise
4	Rakgadi Movundlela	8	Mathoto Mokasane

PART E: Financial Information





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1. Statement of Responsibility

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2015

The Accounting Authority is responsible for the preparation of INSETA's annual financial statements and for the judgements made in this information.

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.

Sandra Dunn

Chief Executive Officer, INSETA

31 July 2015

In our opinion, the financial statements fairly reflect the operations of INSETA for the financial year ended 31 March 2015.

The external auditors are engaged to express an independent opinion on the annual financial statements of INSETA. The INSETA annual financial statements for the year ended 31 March 2015 have been audited by the external auditors and their report is presented on page 92 to 96.

The Annual Financial Statements of INSETA set out on page 97 to page 131 have been approved by the Board on 30 July 2015.

Mzimkulu Msiwa

Chairperson, INSETA

31 July 2015

2. Report of the Auditor-General to Parliament on the Insurance Sector Education and Training Authority

Report on the financial statements

Introduction

1. I have audited the financial statements of the Insurance Sector Education and Training Authority (INSETA) set out on pages 97 to 131, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information

Accounting authority's responsibility for the financial statements

2. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act, 1998 (Act No. 97 of 1998) (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.

Auditor-general's responsibility

- 3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Insurance Sector Education and Training Authority as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA and SDA.

Emphasis of matter

7. I draw attention to the following matter:

Going concern

8. As disclosed in note 27 to the financial statements, the Insurance Sector Education and Training Authority's license expires on 31 March 2016. As at the date of this report, the minister of Higher Education and Training has not made a pronouncement on renewal of the SETA licences beyond 31 March 2016.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof. I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

- 10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2015:
- Programme 2: Increased access to occupationally directed programmes on pages 34 to 40
- Programme 3: Encouraging better use of workplace based skills development on pages 40 to 46
- Programme 4: Encouraging and supporting cooperatives, small enterprises, worker initiated, NGO and community training initiatives on pages 46 to 51

- - 11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
 - 12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
 - 13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
 - 14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following selected programmes:
 - Programme 2: Increased access to occupationally directed programmes
 - Programme 3: Encouraging better use of workplace based skills development
 - Programme 4: Encouraging and supporting cooperatives, small enterprises, worker initiated, NGO and community training initiatives

Additional matter

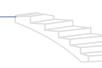
15. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

16. Refer to the annual performance report on pages 32 to 57 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of strategic goal 2: Increased access to occupationally directed programmes, strategic goal 3: Encouraging better use of workplace-based skills development and strategic goal 4: Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.



Compliance with legislation

18. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

19. Effective, efficient and transparent systems of risk management and internal controls with respect to performance information and management were not in place, as required by section 51(1)(a)(i) of the PFMA.

Annual financial statements

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) of the PFMA. Material misstatements of commitments identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

22. Management and accounting authority did not ensure adequate monitoring and evaluation (oversight responsibilities) of validity, accuracy and completeness of reported performance information before finalisation and approval.

Financial and performance management

23. Management did not implement proper monitoring controls over financial reporting. As a result material adjustments were made to the financial statements submitted for auditing.

Other reports

Investigations

- 24. An investigation was conducted by an independent consulting firm on request of the entity. The investigation related to fronting by the accredited training provider in order to secure funding for the burial society for accredited training when there was a private agreement that training would be carried out by another non-accredited training provider. The investigation was finalised and it identified an overpayment based on number of learners who attended. The money has since been recovered.
- 25. At the time of this report, the INSETA's management was conducting another investigation. The investigation related to a project service provider allegedly claiming funding dishonestly. The investigation would be finalised in the 2015-16 financial year.

Musurar - general

Pretoria

31 July 2015



Auditing to build public confidence

Statement of Financial Position

As at 31 March 2015

	Note(s)	2015 R '000	2014 R '000
Assets			
Current Assets			
Consumables		39	90
Accounts receivables from exchange transactions	3	3,069	1,514
Accounts receivables from non-exchange transactions	4	2,288	1,245
Cash and cash equivalents	5	339,328	355,089
Total current assets		344,724	357,938
Non-Current Assets			
Property, plant and equipment	6	1,378	2,166
Intangible assets	7	-	22
Total Non-Current Assets		1,378	2,188
Total Assets		346,102	360,126
Liabilities			
Current Liabilities			
Trade and other payables from non-exchange transactions	8	30,189	23,381
Trade and other payables from exchange transactions	9	35,877	8,366
Provisions	10	3,964	3,907
Total Current Liabilities		70,030	35,654
Total Liabilities		70,030	35,654
Total Net Assets		276,072	324,472
Reserves			
Aministration reserve		1,378	2,188
Discretionary reserve		274,474	322,265
Employer grant reserve		220	19
Total Reserves		276,072	324,472

Statement of Financial Performance

For the year ended 31 March 2015

	Note(s)	2015 R '000	2014 R '000
Revenue			
Revenue from non-exchange transactions			
Skills Development Levy: Income		370,840	342,068
Skills Development Levy: Penalties and interest		7,136	3,076
Total revenue from non-exchange transactions		377,976	345,144
Revenue from exchange transactions			
Other income from exchange transactions	11	1,132	40
Investment income from exchange transactions	12	21,365	17,285
Total revenue from exchange transactions		22,497	17,325
Total revenue	13	400,473	362,469
Expenditure			
Employer Grant and Project Expenses	14	(407,014)	(236,475
Administration Expenses	15	(41,859)	(41,253
Total expenditure		(448,873)	(277,728
(Deficit) surplus for the year		(48,400)	84,741



For the year ended 31 March 2015

	Administration	Employer grant	Discretionary	Total reserves U		Total
	reserve R '000	reserve R '000	reserve R '000	R '000	surplus R '000	R '000
Balance at 01 April, 2013 Changes in net assets	908	5	238,818	239,731	-	239,731
Surplus per Statement of Financial Performance	-	-	-	-	84,741	84,741
Allocation of unappropriated surplus	3,153	10,874	70,714	84,741	(84,741)	-
Excess reserves transferred to Discretionary reserve	(1,873)	(10,860)	12,733	-	-	-
	-	-	-	-	-	-
Balance at 01 April, 2014 Changes in net assets	2,188	19	322,265	324,472	-	324,472
Deficit per Statement of Financia Performance	l -	-	-	-	(48,400)	(48,400)
Allocation of unappropriated surplus	6,813	13,752	(68,965)	(48,400)	48,400	-
Excess reserves transferred to Discretionary reserve	(7,623)	(13,551)	21,174	-	-	-
	-	-	-	-	-	-
Balance at 31 March, 2015	1,378	220	274,474	276,072	-	276,072

Note(s)

16

Cash Flow Statement

For the year ended 31 March 2015

	Note(s)	2015 R '000	2014 R '000
Cash flows from operating activities			
Cash receipts from stakeholders			
Levies, interest and penalties received		375,394	344,837
Other cash receipts from stakeholders		1,115	31
		376,509	344,868
Cash paid to stakeholders, suppliers and employees			
Grant and project payments		(374,070)	(297,446)
Compensation of employees		(16,487)	(14,469)
Payments to suppliers		(22,856)	(26,013
Investment Income		21,363	17,266
Finance costs	_	-	(9)
		(392,050)	(320,671)
Net cash flows from operating activities	17	(15,541)	24,197
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(237)	(2,047)
Insurance proceeds		17	9
Net cash flows from investing activities		(220)	(2,038)
Net (decrease)/increase in cash and cash equivalents		(15,761)	22,159
Cash and cash equivalents at the beginning of the year		355,089	332,930
Cash and cash equivalents at the end of the year	5	339,328	355,089

Statement of Comparison of Budget and Actual Amounts

For the year ended 31 March 2015

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis		Reference
	R '000	R '000	R '000	R '000	R '000	
Statement of Financial Performa	nce					
Revenue						
Revenue from exchange transactions						
Skills Development Levy: Income Skills Development Levy: Penalties and Interest	346,139	-	346,139 -	370,840 7,136	24,701 7,136	26.2 26.3
Total revenue from exchange transactions	346,139	-	346,139	377,976	31,837	
Revenue from non-exchange transactions						
Transfer revenue Other income from exchange transactions	-	-	-	1,132	1,132	
Investment income from exchange transactions	13,500	-	13,500	21,365	7,865	26.1
Total revenue from non- exchange transactions	13,500	-	13,500	22,497	8,997	
Total revenue	359,639	-	359,639	400,473	40,834	
Expenditure Employer Grant and Project expenses	(289,204)	-	(289,204) (407,014)	(117,810)	26.4 & 26.6
Administration Expenses	(43,884)	-	(43,884) (41,859)	2,025	26.5
Total expenditure	(333,088)	-	(333,088	(448,873)	(115,785)	
Surplus/(Deficit) for the year	26,551	-	26,551	(48,400)	(74,951)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	26,551	-	26,551	(48,400)	(74,951)	

The approved budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities, part 2 par 53.

INSETA does not budget for a surplus. The R26 551 000 shown as a surplus in the budget was due to the National Treasury expenditure ceilling which required that INSETA limit its total 2015 expenditure to R333 088 000. This limit was subsequently removed in April 2015.

For the year ended 31 March 2015

1. Presentation of Financial Statements

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

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

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

1.1 Presentation currency

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

1.2 Revenue recognition

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

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education and Training, levies from the National Skills Fund, grants from the national government and donor funding.

1.2.1.1 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 INSETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department. Companies with an annual payroll cost less than 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 over to INSETA (net of the 20% contribution to the National Skills Fund (NSF)). INSETA was not in a position to verify that SARS has collected all potential skills levy income.

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 the Department. 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 INSETA and these benefits can be measured reliably. This occurs when the Department makes an allocation to the INSETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

When a new employer is transferred to INSETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.



1.2.1.2 Interest and penalties

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 an allocation is made by the South African Revenue Services

1.2.1.3 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 INSETA as a liability until the specific conditions have been met. The liability is reduced by any valid project expenditure incurred and recognised as revenue.

1.2.1.4 Government grants and other donor income

Conditional government grants and other conditional donor funding are recognised as a liability until the related conditions are met. Once the conditions are met, revenue is recognised.

Unconditional grants are recognised as revenue when the receipt of the grant becomes binding.

1.2.2 Revenue from exchange transactions

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

1.2.2.1 Interest income

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

1.3 Grants and project expenditure

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).

Mandatory grants

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

Discretionary grant and project expenditure

INSETA 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 SETA 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 expenditure comprises:

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

Discretionary grant and project costs are recognised as expenses in the period in which they are incurred.

For the year ended 31 March 2015

Unconditional grants disbursed to National Skills Fund (NSF) for Technical and Vocational Education and Training (TVET) college infrastructure development.

In terms of Skills Development Circular No. 08/2013 INSETA was requested to contribute funds to the NSF for TVET college infrastructure development. A funding agreement was concluded between INSETA and the NSF outlining the purpose for which the funding was provided. There are no conditions or restrictions for INSETA and the funding is not refundable.

The TVET college infrastructure development payment is treated as a non exchange transaction, and because no specific conditions were included in the funding agreement, an expense has been recognised in the prior period for the payment made during that year.

Disbursements to the National Skills Fund (NSF) relating to uncommitted surpluses:

In terms of SETA Grant Regulation 3(11) and (12), any uncommitted discretionary funds must be transferred to the NSF. This payment is treated as a non-exchange transaction and is recognised as an expense in the period in which it is incurred as outlined in the Seta Grant Regulations.

The obligation is triggered at year end and the liability is recognized to the extent of the amount outstanding. The amount is calculated as the excess of 5% of total accumulated discretionary funding that is not committed at year end.

Effect on revenue adjustments by SARS

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

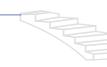
1.4 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or 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

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

All irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which it is incurred.



For the year ended 31 March 2015

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of INSETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

- The following are the key assumptions concerning the future, and other key sources of estimation 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.

Useful lives of property, plant and equipment and intangible assets

INSETA reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period, refer note 6 and note 7 for the respective carrying values.

Management determined, consistent with the prior year, that the useful life of assets should not be limited by INSETA's establishment. Management's determination of useful life also impacts the determination of the residual value of assets.

INSETA has reviewed the estimated useful lives & residual values used for the purposes of depreciation calculations. The review did not highlight any requirement for an adjustment in current or prior periods.

1.6 Property, plant and equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the costs of assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

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

Costs relating to repairs and maintenance are recognised in surplus or deficit as incurred.

For the year ended 31 March 2015

1.7 Intangible assets

Intangible assets are stated at cost less any subsequent accumulated amortisation and adjusted for any impairments.

Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method.

The estimated useful lives and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

1.8 Consumables

Consumables are recognised as an asset at cost on the date of aquistion and are recognised in surplus or deficit as they are consumed. The balance is subsequently measured at the lower of the cost and current replacement cost.

1.9 Leasing

Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

1.10 Provisions

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

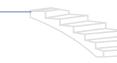
1.11 Employee Benefits

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

Termination benefits are recognised when the benefits accrue.

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

INSETA operates a defined contribution plan and recognises a liability for any contributions owing to the fund at the end of the reporting period. An expense is recognised for defined contribution plans equal to the amount of contributions that were paid or due to the plan during the reporting period.



Accounting Policies

For the year ended 31 March 2015

1.12 Grants and projects liability

Mandatory and discretionary grant liability

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

Discretionary projects

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

1.13 Financial instruments

Recognition

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

Financial assets

Financial assets are recognised and derecognised on trade date and are initially measured at fair value, net of transaction costs

All financial assets of INSETA are categorised as financial instruments at amortised cost.

Financial Instruments at amortised cost

Financial instruments at amortised cost are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate except for short-term receivables where the recognition of interest would be immaterial.

Effective interest method

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

Impairment of financial assets

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

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

Accounting Policies

For the year ended 31 March 2015

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs.

All financial liabilities of INSETA were classified as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective interest method.

Effective interest mothod

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

1.14 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

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 INSETA	10.5%
Employer Grant Fund Levy	20%
Discretionary grants and projects	49.5%
Contribution to the National Skills Fund	20%

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

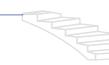
Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grant projects.

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.



Accounting Policies

For the year ended 31 March 2015

1.14 Reserves

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

1.15 Comparative figures

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

1.16 Taxation

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

For the year ended 31 March 2015

2015	2014
R '000	R '000

2. New standards and interpretations

2.1 Standards issued, but not yet effective

The entity has not applied the following standards, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April, 2015 or later periods:

Standard/	Interpretation:	Effective date: Years beginning on or after	Expected impact:
• (GRAP 18: Segment Reporting	01 April, 2015	This standard describes the disclosure to present more specific and detailed information about major activities undertaken by an entity during a particular period, along with the resources allocated to those activities. INSETA already reports on revenue and expenditure per segment. Although the format of the reporting could change, we do not foresee major disclosure changes.
•	GRAP 20: Related parties	Not yet determined	This standard prescribes the disclosure of information relevant to draw attention to the possibility that the entity's financial position and surplus / deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures.
•	GRAP108: Statutory Receivables	Not yet determined	This standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. It is not expected that this standard will significantly impact future disclosures.

For the year ended 31 March 2015

New standards and interpretations (continued)

2.2 Standards not yet effective or relevant

The following standards have been published and are mandatory for the entity's accounting periods beginning on or after 01 April, 2015 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impac	et:
GRAP 105: Transfers of functions between entities under common control	01 April, 2015	No significant im future disclosure	
 GRAP 106: Transfers of functions between entities not 	01 April, 2015	No significant impact on	
under common control GRAP 107: Mergers	01 April, 2015	future disclosure No significant im	pact on
GRAP32: Service Concession Arrangements: Grantor	Not yet determined	future disclosure No significant im future disclosure	pact on
3. Accounts receivables from exchange transactions			
PAYE receivable		323	323
Staff Debtors		- 489	3 426
Prepayments Deposits		570	570
Interest receivable		154	152
Sundry receivables		47	40
Discretionary Receivables		1,486	-
		3,069	1,514
The effect of discounting, where applicable, was considered and found receivables. $ \\$	to be immaterial given the	short term nature o	of these
	I to be immaterial given the	short term nature o	of these
receivables. 4. Accounts receivables from non-exchange transactions Mandatory Grant Receivables	I to be immaterial given the	short term nature o	-
receivables. 4. Accounts receivables from non-exchange transactions	to be immaterial given the		of these - 69 1,176
receivables. 4. Accounts receivables from non-exchange transactions Mandatory Grant Receivables Interseta debtors	·	18	- 69
receivables. 4. Accounts receivables from non-exchange transactions Mandatory Grant Receivables Interseta debtors	·	18 - 2,270	- 69 1,176
4. Accounts receivables from non-exchange transactions Mandatory Grant Receivables Interseta debtors Employer receivable 4.1 Employer Receivable Overpayment to employers	·	18 - 2,270 2,288 2,387	69 1,176 1,245
4. Accounts receivables from non-exchange transactions Mandatory Grant Receivables Interseta debtors Employer receivable 4.1 Employer Receivable	·	18 2,270 2,288	69 1,176 1,245

R2 387 000 (2014: R1 237 000) was recognised as a receivable relating to the overpayment to employers, and is based on the amount of such grant over payments. An amount of R117 000 (2014: R61 000) was provided for as doubtful debt. INSETA is confident that it will be able to recover the net balance. Also refer to Note 8 for grant amounts owed to employers as a result of subsequent changes in levy information.

For the year ended 31 March 2015

	2015 R '000	2014 R '000
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Short term investments/ instruments Cash on hand	301,972	312,147 1
Cash at bank	37,356	42,941
	339,328	355,089

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 5.10% (2014: 5.02%). Surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5 and all funds were invested with the Corporation for Public Deposits.

INSETA uses its cash and equivalents to settle its current liabilities and has approved and allocated R415 742 000 for future projects and skills priorities as set out in Annexure A.

6. Property, plant and equipment

		2015			2014	
	Cost / Valuation	Accumulated (depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1,644	(1,197)	447	1,449	(1,105)	344
Office equipment	434	(369)	65	433	(335)	98
Computer equipment	1,694	(1,614)	80	1,665	(1,494)	171
Office fixtures	1,926	(1,140)	786	1,917	(364)	1,553
Total	5,698	(4,320)	1,378	5,464	(3,298)	2,166

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	344	195	-	(92)	447
Office equipment	98	3	(1)	(35)	65
Computer equipment	171	30	(13)	(108)	80
Office fixtures	1,553	9	` -	(776)	786
	2,166	237	(14)	(1,011)	1,378

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	429	-	-	(85)	344
Office equipment	131	2	-	(35)	98
Computer equipment	228	128	(5)	(180)	171
Office Fixtures	52	1,917	`-	(416)	1,553
	840	2,047	(5)	(716)	2,166

For the year ended 31 March 2015

2015	2014
R '000	R '000

6. Property, plant and equipment (continued)

Useful lives

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

- Computer equipment

3 years 10 years

Office furniture and fittingsOffice equipment

5 years

- Office fixtures

over the lease term

7. Intangible assets

		2015			2014	
	Cost / Valuation	Accumulated Ca amortisation and accumulated impairment	rrying value	Cost / Valuation	Accumulated (amortisation and accumulated impairment	Carrying value
Computer software, other	433	(433)	-	433	(411)	22

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software, other	22	(22)	-

Reconciliation of intangible assets - 2014

Service provider fees outstanding

Trade creditors

	Opening balance	Amortisation	Total
Computer software, other	68	(46)	22

Useful lives

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

- Application software 2 years (Depending on the license of the software)

8. Trade and other payables from non-exchange transactions

Skills development grants payable Interseta payables	30,136 53	23,381 -
	30,189	23,381
9. Trade and other payables from exchange transactions		
Other accrued expenses Leave Accrual Project creditors	3,754 747 30,997	1,930 828 4,986

338

35.877

41

47

575

8.366

For the year ended 31 March 2015

2015	2014	
R '000	R '000	

9. Trade and other payables from exchange transactions (continued)

The effect of discounting, where applicable, was considered and found to be immaterial given the short term nature of these payables.

10. Provisions

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Employee bonus provision	1,482	1,414	(1,062)	-	(420)	1,414
Provision for incorrect receipts	2,425	568	-	(465)	22	2,550
	3,907	1,982	(1,062)	(465)	(398)	3,964

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in estimate	Total
Employee bonus provision	467	1,482	(426)	-	(41)	1,482
Provision for incorrect receipts	3,722	367	` -	(1,509)	(155)	2,425
	4,189	1,849	(426)	(1,509)	(196)	3,907

Bonus provision is calculated using the total cost of employment and is based on performance evaluations conducted by the CEO of INSETA and the HR and Remuneration committee as appropriate.

An amount of R 2 550 000 (2014: R 2 425 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing (SDL) due to legislation changes which came into effect from 1 August 2005. As SARS collects the levies on behalf of DHET, the responsibility to refund the levies to the employers remains with SARS.

In terms of Skills Development circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190 (4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular.

11. Other Income

	1,132	40
Other Income from Litigations	1,111	
Insurance proceeds received	17	9
Mandatory grant received	4	30
Learner Certificates reissued	-	1

12. Investment Income

Interest received Interest Accrued	21,211 154	17,133 152
	21,365	17,285



For the year ended 31 March 2015

		2015 R '000	2014 R '000
13. Revenue			
Skills Development Levy: Income	13.1	370,840	342,068
Skills Development Levy: Penalties and interest		7,136	3,076
Other income		1,132	40
Investment income from exchange transaction		21,365	17,285
		400,473	362,469
13.1 Skills Development Levy: Income		48.672	44.406
Administration levy income Employer grants income		92,234	113,715
Discretionary grants income		229.934	183,947
	1	370,840	342,068
14. Employer grant and project expense			
Mandatory grants		78.482	102,841
Discretionary grants		(3)	(2)
Project expenditure		235,672	133,636
Surrender of uncommitted surplus funds to NSF *		92,863	-
		407,014	236,475

^{*} In the current financial year, an instruction was received from the Department of Higher Education and Training to transfer an amount of R92 863 000 to the National Skills Fund. This amount was uncommitted discretionary reserves as at 31 March 2014.

For the year ended 31 March 2015

		2015 R '000	2014 R '000
15. Administration expenses			
External auditor's remuneration		1,436	1,896
Interest paid *		-	9
Consultancy and service provider fees		10,935	10,413
Entertainment expenses		80	158
Gifts, donations and sponsorships paid		2	15
Professional Indemnity Insurance		101	73
Operating lease rentals (minimum lease payments)		3,227	3,041
Advertising, marketing and promotions, communication		942	1,129
Postage & courier services		54	27
Stationery		398	189
Maintenance, repairs and running costs - Property and Buildings		870	776
Remuneration to members of the accounting authority and other sub-committees		1,559	1,642
Remuneration to members of the audit committee		316	237
Sundry expenses		1,118	1,396
Allowance/(Reversal) for doubtful debts		56	(355)
Legal fees		83	121
Telephone costs		294	417
Staff training and development		548	439
Travel and subsistence		799	1,713
Loss/(profit) on disposal of property, plant and equipment		13	5
Internal audit fees		578	1,163
Depreciation/ Amortisation		1,033	762
Cost of employment	15.1	16,459	15,484
Quality Council for Trade and Occupations		958	503
	-	41,859	41,253

^{*}The interest charged in 2014 was due to the debit order limit of the telephone account being insufficient and the late payment of the rental deposit.

15.1 Employee related costs

	16,459	15,484
Employee Wellness	59	4
Temporary staff	242	159
Leave payments	78	227
SDL	203	172
UIF	80	72
Performance awards	1,049	1,315
Basic Salaries	14,748	13,535

Average number of employees 46 (2014: 37)



For the year ended 31 March 2015

16. Accumulated surplus

Allocation of (Deficit)/Surplus to Reserves

Current year 2015	Administratio n reserve	Employer grant reserve	Discretionary reserve	Projects R'000	Total discretionary
	R'000	R'000	R'000		R'000
Skills Development Levy: Admin Income	48,672	-	-	-	48,672
Skills Development Levy: Grant Income	-	92,234	-	229,934	322,168
Skills Development Levy: Penalties and Interest	-	-	-	7,136	7,136
Investment Income	-	-	-	21,365	21,365
Other Income	-	-	-	1,132	1,132
Subtotal	48,672	92,234	-	259,567	400,473
Administration Expenses	(41,859)	-	-	=	(41,859)
Employer grant and project expenses	-	(78,482)	3	(328,535)	(407,014)
	6,813	13,752	3	(68,968)	(48,400)
Prior year - 2014	Administratio	Employer	Discretionary	Projects	Total
		grant reserve	reserve	R'000	discretionary
	R'000	R'000	R'000		R'000
Admin levy income	44,406	-	-	-	44,406
Grant levy income	=	113,715	-	183,947	297,662
investment Income	=	-	-	3,076	3,076
Other income	=	-	-	17,285	17,285
	-	-	-	40	40
Subtotal	44,406	113,715	-	204,348	362,469
Administration Expenses	(41,253)	-	-	=	(41,253)
Employer grant and project expenses	-	(102,841)	2	(133,636)	(236,475)
	3,153	10,874	2	70,712	84,741

Please note that the following balances will be left in Administration and Employer Gant reserves in the Statement of changes in net assets:

- Administration Reserve: An amount of R1 378 000 (2014: R2 188 000) is retained in the administration reserve
 equal to the carrying value of property, plant and equipment and intangible assets.
- An amount of R220 000 (2014: R19 000) is disclosed in the employer grant reserve relating to levies received from newly registered member companies, participating after the legislative cut-off date and for who grant applications may be received and approved.

For the year ended 31 March 2015

	2015 R '000	2014 R '000
17. Cash (used in) generated from operations		
Net Surplus as per Statement of Financial Performance	(48,400)	84,741
Adjustments for: Depreciation and amortisation	1.033	762
Profit on disposal of property, plant and equipment	(4)	(4)
Allowance for doubtful debts	(4)	(355)
Increase/(decrease) in provisions	57	(282)
Changes in working capital:		(===)
Decrease/ (Increase) in consumables	51	(28)
(Increase) in accounts receivables from exchange transactions	(1,554)	(34)
(Increase)/Decrease in accounts receivables from non-exchange transactions	(1,043)	1,005
Increase/(decrease) in payables from exchange transactions	27,511	(43,078)
Increase/(Decrease) in payables from non-exchange transactions	6,808	(18,530)
	(15,541)	24,197
18. Commitments		
18.1 Operating lease - as lessee (expense)		
Minimum lease payment due		
- within one year	3,504	3,075
- in second to fifth year inclusive	8	3,334
	3,512	6,409

The operating leases relate to building premises used for office accommodation, and leases for printers and plants. The lease agreement for the building was entered into effective 1 September 2013 and will be expiring on 31 March 2016. The last lease agreement for the printers will be expiring on 30 April 2016. The plant rental agreement started on 1 December 2013 and will expire on 31 March 2016.

18.2 Discretionary reserve

Of the balance of R274 474 000 (2014: R322 265 000) available in the Discretionary reserve at the end of March 2015, R415 742 000 (2014: R317 240 000) has been approved and allocated for future projects and skills priorities as set in annexure A. An amount of R274 320 000 (2014: R213 289 000) has been committed in future contracts.

Amounts for expenses that have already been incurred, and therefore included in the project expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds have been submitted to National Treasury via the Department. At the time of compiling the financial statements, no reply had been received.

Amounts disclosed in the approved by accounting authority column should be read as follows:

The positive amounts represents new or additional approvals made by the accounting authority. The negative amounts represents transfers back to the surplus funds due to savings on the project.

Amounts disclosed in the utilised column should be read as follows:

The negative amounts represents credit notes or reallocations of invoice. The positive amounts represents expenses that have incurred against the project.

Please refer to Annexure A for the detailed project schedule



For the year ended 31 March 2015

2015	2014
R '000	R '000

19. Contingencies

Contingent Liabilities

Surplus Funds

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury should an application for retention of surplus funds be denied. We have submitted an application to National Treasury via the Department for the retention of surplus funds.

National Skills Fund

In terms of SETA Grant Regulation 3(11) and (12), any uncommitted discretionary funds must be transferred to the NSF. Of the balance of R274 474 000 available in the discretionary reserve at the end of March 2015, R274 320 000 has been committed, therefore no surplus will be surrendered to the NSF.

First time employer registrations

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

At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R220 000 (2014: R19 000) will be payable. The amount is contingent on the number of submissions received and approved.

For the year ended 31 March 2015

	2015 R '000	2014 R '000
--	----------------	----------------

20. Related parties

Relationships

Controlling entity
Entities under common control

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

Members of key management

S. Dunn (CEO)

S. Snell (COO)

Related party balances

In	terseta	a rece	ivab	les

Fasset	-	2
Mict Seta	•	5
HW Seta	-	22
Services seta	-	25
W&R Seta	-	7
Cathseta	-	7
Other	-	1

Interseta payables

Fasset	2	-
Other	51	-

Related party transactions

Transactions with setas and other entities under common control

Transactions with setus and other chitics under common control		
Fasset	83	139
MICT Seta	(5)	(54)
Bankseta	· -	6
Merseta	-	1
Health & Welfare SETA	(22)	-
Services seta	134	(372)
W&R Seta	-	7
Other	(52)	1
Cathseta	(7)	(18)
ESETA	· -	14
QCTO	958	503

For the year ended 31 March 2015

2015	2014
R '000	R '000

20. Related parties (continued)

Remuneration of Key Management

The key management personnel of INSETA are: the members of the accounting authority and the members of the senior management group.

The accounting authority consists of members appointed in terms of its constitution; the chief executive officer attends meetings of the accounting authority but is not a member of the accounting authority. The aggregate remuneration of members of the accounting authority and the number of members receiving remuneration within this category, are:

Accounting Authority		
Aggregate remuneration	1,500	1,642
Number of persons	15	15

The senior management group consists of INSETA's Chief Executive Officer and Chief Operations Officer. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

Senior management group		
Aggregate remuneration	2,817	2,743
Number of persons	2	2

Refer to the report by the Accounting Authority for detailed disclosure concerning the emoluments of the Chief Executive Officer and Chief Operating Officer.

INSETA is controlled by the DHET. The Department is controlled by the Minister of Higher Education and Training. There were transactions relating to revenue with the DHET - refer to note 13.1.

21. Members' emoluments

Refer to the Accounting Authority report for details regarding the remuneration of key management.

22. Risk management

Liquidity risk

INSETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are maintained.

2014/15 Payables from exchange transactions	Carrying amount (35,130)	Contractual cash flows (35,130)	6 months or less (35,128)	6-12 months	More than 2 years (2)
2013/14	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 2 years
Payables from exchange transactions	(7,438)	(7,538)	(7,496)	-	years (42)

For the year ended 31 March 2015

2015 P 1000	2014 P '000
R '000	R '000

22. Risk management (continued)

Credit risk

Financial assets, which potentially subject INSETA to the risk of non performance by counter parties and subject INSETA to credit concentrations of credit risk, consist mainly of cash and cash equivalents deposited with financial institutions and accounts receivable.

INSETA limits its treasury counter-party exposure by only dealing with the Corporation for Public Deposits as approved by National Treasury through the approval of an investment policy in terms of Treasury Regulation (TR 28). INSETA's exposure is continuously monitored by the executive committee.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. INSETA does not have any material exposure to any individual or counter-party. INSETA's concentration of credit risk is limited to the industry in which INSETA operates. No events occurred in the industry 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 allowance for doubtful debt.

The ageing of receivables from exchange & non-exchange transactions: Not past due	Gross 4.397	Impairment (117)	2015: Total 4.280
The ageing of receivables from exchange and non-exchange	Gross	Impairment	2014: Total
transactions Not past due	1,755	(61)	1,695

Market risk

INSETA is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year in the market that INSETA is aware of. There are adequate procedures in place to address changes in the market when necessary.

2015 2014 R '000 R '000

22. Risk management (continued)

Interest rate risk

For the year ended 31 March 2015

INSETA manages its interest rate risk by effectively investing INSETA surplus cash in term deposits with the Corporation for Public Deposits according to INSETA's investment policy.

The exposure to cash flow interest rate risk and the effective interest rates on financial instruments at reporting date are as follows:

Year ended 31 March 2015	Floating rate (R'000)	Non-interest bearing (R'000)	Total (R'000)
Cash	339,328	-	339,328
Receivables from exchange and non- exchange transactions	-	4,397	4,397
Payables from exchange and non- exchange transactions	-	(35,130)	(35,130)
	339,328	(30,733)	308,595

Year ended 31 March 2014		Non-interest earing (R'000)	Total (R'000)
Cash Receivables from exchange and non- exchange transactions Payables from exchange and non- exchange transactions	355,044 - -	45 2,330 (7,538)	355,089 2,330 (7,538)
	355,044	(5,163)	349,881

Fair value interest rate risk

INSETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of its fair value. Fair values could be reliably measured for all financial instruments. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents - The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts receivable - The carrying amount of accounts receivable approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts payable - The carrying amount of accounts payable approximates fair value due to the relatively short-term maturity of these financial liabilities.

23. Events after the reporting date

None

24. Fruitless and wasteful expenditure

To the best of our knowledge no fruitless and wasteful expenditure has been incurred during the current year.

For the year ended 31 March 2015

	2015 R '000	2014 R '000
25. Irregular expenditure		
Opening balance	1,388	808
Add: Irregular Expenditure - current year Less: Amounts condoned	(278)	633 (53)
	1,110	1,388

^{1.} Inseta appointed two contractors during 2012/2013 by using an outside service provider to handle all the project procurements together. The appointed service provider was responsible for checking the validity of the tax clearance certificates. They returned the files to the INSETA Project Office but management discovered that the tax clearance certificates were missing. Expenses relating to this procurement amounts to a total of R 1 110 000.

A request for condonation was submitted to National Treasury; however the condonation was not granted. The letter rejecting the condonation recommended that Inseta either recover or write off the amount. INSETA is considering various alternatives subsequent to which a decision will be made.

- 2. National Treasury issued instruction note 1 of 2013/14: Cost containment measures effective from 1 January 2014. The circular states that domestic hotel accommodation my not exceed R1 300 per night. In the prior year 5 instances were noted where the amount was exceeded. The total value of accommodation amounts to R8 000 and the amount that exceeds that R1 300 limit amounts to R2 000. INSETA consulted National Treasury in the current year which confirmed that the expenditure was not irregular as it was incurred during peak season.
- 3. In 2010 INSETA renewed a contract for fixed data lines with Telkom for 5 years. At that stage there was only one competitor service provider which INSETA did not consider due to the following reasons:
- * The network coverage of the competitor was inferior to that of Telkom
- * Various business continuity considerations as INSETA would have to change their telephone numbers
 The reasons for the single source procurement and evidence of the market analyses was not sufficiently documented at the
 time of consideration and is thus seen as irregular. The total contract value amounts to R988 000 with payments made to date
 totalling R278 000. The contract and resulting expenditure was condoned by the Accounting Authority in the 2015
 financial year.

For the year ended 31 March 2015

2015	2014
R '000	R '000

26. Budget differences

Notes to Statement of Comparison of Budget and Actual amounts

Legislation requires that INSETA annually submits a budget to the Minister for approval within at least six months before the start of the financial year. Any subsequent changes required to the initial budget are approved by the Accounting Authority.

26.1 Investment revenue

The investment income was 21% higher than budget due to higher average cash balances being held during the year and the timing of payments.

26.2 Non-exchange revenue - levies

Levy receipts were higher than budget by 7% due to higher than anticipated salaries or industry growth in the insurance sector.

26.3 Non-exchange revenue - Interest and penalties

Income from penalties and interest arise when employers fail to submit their returns as required by legislation. These amounts typically vary significantly year on year. The full balance is made available for projects. INSETA does not budget for this line item.

26.4 Employer grant expenses

Employer grant expenses exceeded budget by 5% due to the levy income exceeding the budgeted income. The payout percentage of the mandatory grants was lower than the budgeted payout percentage due to fewer Work Place Skills Plans that were submitted and approved.

26.5 Administration expenses (including employee related costs, general expenses, repairs and maintenance) Administration expenditure is limited to 10.5% of levies received. The legislative limit has not been exceeded.

26.6 Project Expenses

The significant increase in project expenditure is due to the increase in the discretionary income allocation to 49.5%. INSETA has opened a number of high value discretionary projects and has made payments on these projects in the current financial year.

27. Going concern

The 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.

INSETA is currently established until 31 March 2016. There are no known instances that casts doubt on INSETA's ability to continue as a going concern except the uncertainty of the SETA's existence post 31 March 2016. INSETA is currently awaiting notice from the Minister for a renewal of its certificate of establishment post 31 March 2016.

Annexure A - Commitments

For the year ended 31 March 2015

Discretionary reserve

Of the balance of R274 474 000 (2014: R322 265 000) available in the Discretionary reserve at the end of March 2015, R415 742 000 (2014: R317 240 000) has been approved and allocated for future projects and skills priorities as set out below.

Amounts for expenses that have already been incurred, and therefore included in the project expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds have been submitted to National Treasury via the Department. At the time of compiling the financial statements, no reply had been received.

Amounts disclosed in the approved by accounting authority column should be read as follows:

The positive amounts represents new or additional approvals made by the accounting authority. The negative amounts represents transfers back to the surplus funds due to savings on the project.

Amounts disclosed in the utilised column should be read as follows:

The negative amounts represents credit notes or reallocations of invoice. The positive amounts represents expenses that have incurred against the project.

		Opening allocated funds 2013/14	Commitments as at 31 March 2014	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2013/14	Future commitments / contracts	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2014/15	Future commitments / contracts
NSDS	Project Name	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
5	Bursaries and voucher project	7,338	7,364	-	3,070	4,268	1,513	(3,320)	948	-	-
5	Financial Advisory and Intermediary Services Act Support	1,708	733	1,000	1,217	1,491	1,596	8,738	3,417	6,812	5,166
4	QCTO	2,567	128	-1,299	603	665	529	(2)	581	82	-
2010/2	2011 Projects										
4	Business Analyst and systems analyst training	65	-	-40	-	25	-	(25)	-	-	-
3	FETI-HETI Articulation Pilot	-6	-	-	-6	-	-	-	-	-	-
4	INSETA Capacity Building & Quality Promotion	1,157	52	-1,172	-	-15	-	15	-	-	-
4	Learnership Funding Window Year 11	8,673	7,890	1,223	9,229	667	-	(550)	117	-	-
5	National support for SMMEs 2010 -2011	1,214	468	-156	1,023	35	-	(40)	(5)	-	-
	Project Admin 2010/11	3,913	-	-	1,449	2,464	-	26	1,225	1,265	-
4	Project for people with Intellectual Disabilities	693	503	-691	2	-	-	-	-	-	-
5	Promotion of Insurance Sector Year 11	1,116	256	-	927	189	-	(130)	59	-	-
5	SAAD Project 2011	65	-	-71	-6	-	-	-	-	-	-
4	Sector-Demand Internships	6,529	3,539	-4,402	2,127	-	-	-	-	-	-

		Opening allocated funds 2013/14	Commitments as at 31 March 2014	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2013/14	Future commitments / contracts	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2014/15	Future commitments / contracts
	Project Name	R'000	R'000	R'000	R'000	R'000	R'000	R′000	R'000	R'000	R'000
	2012 Projects	10.440	00.4	0.400	00/	1111	1.040	(0)	F.70	F.//	
5	Employment Creation and New business opportunities funding window	10,442	894	-8,492	806	1,144	1,042	(0)	578	566	-
4	Research Project	5,902	-	-3,522	316	2,064	1,905	0	1,405	660	362
5	SME Learnership	1,578	490	-1,303	274	1	-		-	-	-
5	Burial Societies Cooperatives Skills Support Proje	2,041	820	-	394	1,647	236	(1,460)	187	-	-
5	Bursaries for the employed: Levy paying	4,951	1,794	-	3,078	1,873	-	(1,873)	-	-	-
4	Research – SSP 2011	105	86	-19	86	-	-	-	-	-	-
4	Learnerships Year 12	19,414	10,802	-702	8,345	10,367	5,196	(7,033)	3,334	-	-
4	BASA 2012 Programme	125	-	(118)	7	-	-		-	-	-
4	SAAD Project Year 13	4,791	1,563	(4,303)	488	-	-		-	-	-
2012/	2013 Projects										
4	Internships Year 12	6,296	4,182	(531)	3,218	2,547	380	(2,254)	293	-	-
5	FETI HETI Project Year 12	4,837	3,331	-	2,149	2,688	1,036	(1,561)	807	320	-
5	SME Training Vouchers	9,143	185	(4,750)	2,250	2,143	1,847	(203)	411	1,529	1,484
4	Insurance and Related Services SSP 2012	1,539	-	(741)	308	490	-	(490)	-	-	-
4	Internships Year 2013	39,000	-	-	12,218	26,782	18,160	(8,565)	10,057	8,160	-

		Opening allocated funds 2013/14	Commitments as at 31 March 2014	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2013/14	Future commitments / contracts	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2014/15	Future commitments / contracts
NSDS	Project Name	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4	Learnerships Year 2013	79,488	-	(15,000)	19,846	44,642	32,576	(9,556)	24,095	10,991	401
5	SETA-FET Collaboration Pilot Project	1,305	-	-	724	581	356	0	295	287	100
4	Quality Promotion Project	3,337	-	3,338	660	6,015	2,034	(0)	2,562	3,453	76
4	SMME Learnership	22,165	-	-	1,109	21,056	-	(0)	13,609	7,447	1,765
2013/2	2014 Projects										
4	Bursaries for NSFAS	-	-	3,500	3,500	-	9,085	-	-	-	-
4	BASA 2013 Programme	-	-	999	298	701	-	8	709	-	-
4	Learnerships Year 2014	-	-	55,618	641	54,977	65,830	447	31,998	23,426	8,517
4	Internships Year 2014	-	-	57,974	2,049	55,925	38,375	(27,604)	13,589	14,732	5,702
5	Bursaries for Workers 2014	-	-	25,550	7,037	18,513	13,936	(0)	7,737	10,775	-
5	Skills Programmes for Workers in 2013/2014	-	-	15,000	7,036	7,964	-	(429)	6,778	757	469
5	Skills Programmes for small businesses and Coops	-	-	15,000	1,434	13,566	1,372	0	5,887	7,679	4,049
4	FET Infrastructure Development	-	-	33,924	33,924	-	-	-	-	-	-
4	Skills Programmes for SME's and Cooperatives 2015/2016	-	-	15,000	1,807	13,193	6,478	429	4,289	9,333	3,495
4	Broker Development Program	-	-	8,600	-	8,600	-	-	1,797	6,803	3,882
4	SAADP Year 2014	-	-	9,972	-	9,972	9,807	0	9,842	130	-

		Opening allocated funds 2013/14	Commitments as at 31 March 2014	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2013/14	Future commitments / contracts	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2014/15	Future commitments / contracts
NSDS	Project Name	R'000	R′000	R′000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2014/	'2015 Projects										
4	Learnerships Year 2015							110,250	13,537	96,713	68,174
4	Internships Year 2015							84,654	6,973	77,681	77,625
5	Bursaries for Workers; SME'S & Co-ops 2015							42,000	3,893	38,107	41,349
	Bursaries for Youth not in Employment							19,260	17,744	1,516	-
	Promotion of Insurance as a career 2014-15							1,000	381	619	-
	Management and Leadership development 2015							8,000	3,649	4,351	3,538
5	Skills Programmes for Workers in 2014/2015							15,000	5,692	9,308	2,827
4	SAADP Year 2015							12,469	9,134	3,336	3,140
4.2	Bursaries for Youth not in Employment 2015							22,440	-	22,440	20,820
4.2	WIL Programmes for TVETs and UoTs 2014 (Internships Y14)							27,604	13,315	14,289	12,893
4.6	Skills Programmes for SME's and Cooperatives 2014/2015							15,000	11,449	3,551	1,831
4.2	WIL Programmes for TVETs and UoTs 2015							9,900	3,301	6,599	2,567

		Opening allocated funds 2013/14	Commitments as at 31 March 2014	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2013/14	Future commitments / contracts	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2014/15	Future commitments / contracts
NSDS	Project Name	R'000	R′000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4.2	Skills Programmes for Unemployed Youth 2015/2016							5,000	4	4,996	-
4.6	Skills Programm for SME's an Cooperatives 2015/2016*							7,030	-	7,030	4,090
4.5	Skills Programmes for Workers 2015/2016*							10,000	-	10,000	-
Total	project expenditure	251,491	45,080	199,386	133,636	317,240	213,289	334,174	235,672	415,742	274,320

^{*}These projects were allocated during the current year, but will only start in the following financial year.

Note that the definition of commitments by the accounting authority includes signed contracts, approval letters sent to employers for learnerships, internships and bursaries and open purchase orders for travel and other related services, up to the approval date of the financial statements. Refer below to the reconciliation.

Future commitments / contracts

Contracted Amounts	59,151	
Learnership, Internship and Bursary Agreements	215,169	
	274,320	
2014/15 projects approved by the Accounting Authority		
Pivotal programmes	380,607	98%
Non-pivotal/Catalytic programmes	9,000	2%
	389,607	





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