

Annual Report 2011-2012



**inseta**  
INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY



## *purpose*

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.

## *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

## *vision*

VISION:

In 2013, INSETA will be:

- Acknowledged as education and training thought leaders and enablers – the most effective SETA
- Have a highly esteemed reputation as being integral to the insurance sector's growth
- Demonstrate how a truly transformed organisation should and does operate
- Have grown the talent pool to levels where the skills shortage is no longer critical
- Have a comprehensive research base on international trends and best practices
- Delivering quality in all 9 provinces

INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY



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*2011/12*

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higher education  
& training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**



**inseta**  
INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY

*Honourable Minister,*

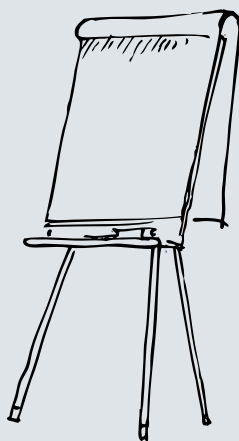
it is with pleasure that we present to you the Annual Report of the Insurance Sector  
Education and Training Authority for the period 1 April 2011 to 31 March 2012.



*Dr Blade Nzimande*  
Minister of Higher Education & Training



*Sandra Dunn*  
INSETA Chief Executive Officer



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## *chairperson's report*

"The innovation point is the pivotal moment when talented and motivated people seek the opportunity to act on their ideas and dreams."

— W. Arthur Porter



The 1<sup>st</sup> of April 2011 ushered in a new phase for SETAs. Changes were made to improve the leadership, governance and strategy of the SETAs to improve performance. This was the first year of the implementation of the third National Skills Development Strategy (NSDS III). The strategy is grounded in the integration of higher and further education and skills development. It calls for priority to be given to strengthening the relationship between public colleges and universities and SETAs and employers.

INSETA is positioning itself to become the authority on labour market analysis in the

insurance sector. We will achieve this by developing a Sector Skills Plan (SSP) which has a strong employer led process and when ownership of the SSP vests in the insurance sector. During the year under review we conducted broad consultation with the sector and focused consultation with a dedicated SSP steering committee made up of key sector representatives. The SSP for 2012 has made great strides towards articulating the collective needs of both levy and non -levy -paying institutions. Going forward we hope to see the SSP set out an agreed sector strategy to address skills needs in the insurance sector.

INSETA, in turn, has a central role to play in supporting our sector to meet its needs in

terms of skills development and training. With this in mind, we are pleased to report that INSETA has made a significant contribution in meeting its targets during the year under review. 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. All of these focus areas are underpinned by a sharp focus to achieve the fundamental transformation of inequities which are linked to class, race, gender, age geography, disability and HIV and aids pandemic in our society.

The Minister of Higher Education and Training gazetted a new constitution for all SETAs and INSETA has a licence to operate from 1 April 2011 to 31 March 2016. The INSETA legal structure has now changed from a Council to a Board. New provisions in the SETA constitutions have been put in place to increase the governance in SETAs. The Minister is now responsible for the appointment of constituency nominees, two ministerial representatives and one independent Board Chairperson. There were no resignations from Board members during the period. Our sub-

committees met regularly during the year and provided Council with recommendations relating to policy matters, financial matters and projects. I am pleased to note that the Auditor General has once again issued INSETA with an unqualified audit.

Our financial services sector remained buoyant, in the face of the recent financial crisis and global economic meltdown. Our levy income increased by 18.6% from R219,8 million for the 2010/11 financial year to R260,7million for the 2011/12 financial year. Levies received relating to prior scheme years were significantly more than in previous years and this is the reason for the large increase. Future growth projections for levy increases are 14%. INSETA achieved a 95% grant payout ratio for mandatory grants.

## Highlights

### *Articulation of Wealth Management career pathway*

For the first time in the history of SETAs and education institutions, INSETA ran a pilot project in the Western Cape that would ensure articulation from a SETA qualification offered by FET Colleges into a University qualification. All students on the programme



Our financial services sector remained buoyant, in the face of the recent financial crisis and global economic meltdown.

were recruited by large insurance companies with the exception of South Cape College, who recruited a range of small insurance brokerages, many of whom were owners of their own businesses. Each FET College registered 20 learners. Of the 100 learners who started training in the pilot, 77 completed the programme successfully and 23 have enrolled at UWC for the Advanced Diploma in Management Studies (ADM) in 2012.

***INSETA Skills Development Broker Network***

INSETA actively partnered with the sector to address the most critical skills of the insurance sector through innovative solutions. The INSETA Network was launched on 2 April 2012 and the purpose of the network is to enable skills development for small and micro independent brokers to grow jobs through more successful brokerages. INSETA's research indicates that many support programmes are either not reaching the small and micro brokers and/or they are not geared towards meeting the needs of the small and micro brokers. INSETA is uniquely positioned to be a catalyst in improving the support targeted for the small and micro brokers facing an uphill battle out there.

***SMME Learnership***

INSETA launched its SMME Learnership programme which targeted the often neglected SMME sector. The programme, which is aimed at supporting work-based experience and helping the sector grow its own skills, will offer its participants a NQF Level 4 qualification as well as FAIS compliance. Its goal is to boost skills and promote a FAIS compliant industry as well as to give school leavers valuable hands-on work experience. The programme comes in response to the high unemployment rate and increasing demand for skilled professionals in the insurance sector, and offers 180 matriculants the opportunity to gain experience in the workplace, with the potential for employment once the 12-month SMME learnership is completed. A total of 60 organisations across the Free State, Eastern Cape, Gauteng, Western Cape and KwaZulu-Natal are hosting learners.

***Scarce and critical skills***

The year also saw the continuation of the highly successful partnership between INSETA and the South African Actuaries Development Programme (SAADP), a venture aimed at increasing the pool of Black Actuaries for the Insurance Sector. INSETA provided bursaries

to 65 actuarial science students in the financial year.

INSETA is further working with a variety of stakeholders to provide aspiring business analysts with usable skills. The industry-demand, multi-stakeholder programme aims to add up, up-skill or re-skill 1000 people with IT skills that are in critical short supply within the next five years, with a key focus on producing more graduate level IT talent. The CAPACITi 1000 Training, Internship and Intern Support Programme provides participants with a post-graduate diploma part-time (NQF level 8) from the University of Cape Town, an internship at a host company, and mentor and training support. The 2011 pilot programme achieved a 95% pass rate, and at the end of the programme 95% of learners were employed.

### ***FAIS Regulatory Exam (RE) Support***

INSETA in conjunction with the FSB and Examining Bodies, conducted free RE Preparatory seminars around the country to assist Advisors in preparing themselves for the RE exams. INSETA also provided delegates with free learning material which we designed specifically for the RE exams. A total of 29 seminars were conducted countrywide in all nine provinces, and 4 318 delegates benefitted

from the sessions. INSETA received positive feedback from attendees who were able to pass the RE exams.

### ***Appreciation***

I would like to thank my fellow Board members for their commitment and guidance during the period under review. To Sandra Dunn and her team, well done once again on a successful performance year. Our appreciation must also be expressed to the Department of Higher Education and Training and the South African Qualifications Authority.



***Mzimkulu Msiwa  
Independent Chairperson  
of INSETA Board***

INSETA actively partnered with the sector to address the most critical skills of the insurance sector through innovative solutions.

# chief executive officer's report

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." - Roosevelt

When we touch the lives of our learners, we hold the promise of unlocking and enhancing human potential.

One of INSETA's five core values is to touch lives, and for us this means that we must make a difference and leave an enduring legacy in people's lives. It is thus with this in mind that we have chosen "Touching Lives" as the theme for our Annual Report for 2011/12.

It is my pleasure to present INSETA's Annual Report for 2011/12 and to provide a synopsis of activities during the year; and achievements toward our vision 2013. We detail our key successes and our challenges. We have experienced a significant increase in our reach through our established partnerships and have

found more innovative ways to touch more lives and to make a difference.

## ***Delivery on the National Skills Development Strategy (NSDS III)***

SETAs are required to enter into a Service Level Agreement (SLA) with the Department of Higher Education and Training on an annual basis indicating their contribution towards the overall achievement of the NSDS. Details of achievements against SLA targets appear in Appendix B on page 83.

INSETA has identified five key strategic programmes that aim to deliver on our strategic outcome oriented goals. Below

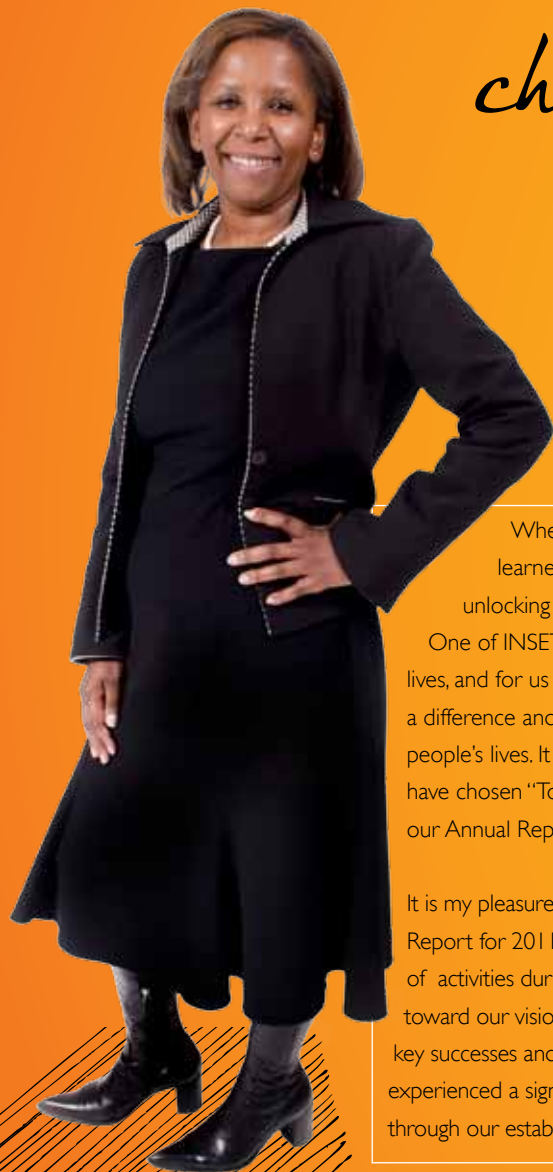


table represents a high-level summary of the programmes that support the NSDS III aligned Strategic Outcome Oriented Goals.

Strategic outcome oriented goal	NSDS III indicator	Programmes
A credible institutional mechanism for skills planning	4.1	Research and Benchmarking
Effective established career and vocational guidance channels	4.8	Youth Education and Development
Increased access to Occupationally directed programmes	4.2	
Better use of workplace-based skills development	4.5	Scarce and Critical Skills
Training and support provided to Sector Co-operatives, Small Enterprises and NGO's	4.6	Small and Micro Enterprise Development
Organisational Effectiveness	N/A	Operational Performance

Organisational effectiveness

Board and Board Sub-Committees

During the 2011/12 financial year, the INSETA Board comprised of six constituent nominees who represent the interests of business; six constituent nominees who represent the interests of labour; two ministerial appointees; and one independent chairperson.

The Board committees, comprising of the Executive Committee, Audit Committee, Finance, IT & Administration Committee and HR Committee met on a regular basis and provided recommendations to the Board throughout the course of the year.



When we touch the lives of our learners, we hold the promise of unlocking and enhancing human potential.

***Policies and Procedures***

Several policies and procedures were reviewed and approved by the INSETA Board during the year, including the:

- Supply Chain Management Policy
- Travel Policy
- Mandatory Grant Payments Policy
- Leave Policy
- HR Policy
- Fraud Prevention Strategy
- INSETA Materiality Framework
- Terms of reference for the Executive Committee
- Terms of Reference for the Finance, IT & Administration Committee
- Terms of Reference of the HR Committee

***Organisational Review***

During the period of review INSETA appointed ODA consultants to conduct an organisational review of INSETA structure.

***Staff Benefits***

The Board approved the introduction of risk and pension benefits to all INSETA staff and a medical aid subsidy effective from 1 April 2012.

***Staff Compliment***

During the period under review, INSETA had a permanent staff compliment of 38. This is made up of full time and fixed term contract staff. We are committed to transformation in our own staffing and the table below illustrates our delivery against this commitment:

Race	Gender	
	Female	Male
Black	20	5
Coloured	4	1
Indian	2	0
White	3	3
Total	29	9

A list of INSETA's staff appears on Appendix C on page 86 of this Report.

***Salary Bands for INSETA Staff:***

Level	Salary Band
Executive Management	R1.2M and above
Management	R500k – R800k
Specialists/ Consultants	R250k –R500k
Administration	R120k – R250k
Support	R60k – R120k

## Financial Management

INSETA's 80% levy income increased by 18.6% million from R219,8 million for the 2010/11 financial year to R260,7million for the 2011/12 financial year. The administration expenditure for the current financial year was R29,5 million (2010/11 R24,4 million). The total project and mandatory grant expenditure for the current financial year amounted to R222,2 million (2010/11 R187,8 million). Administration expenditure is limited, by legislation to 10% of total levies received.

INSETA continues to operate well within the legislative limit and any cost savings is made available for spending on discretionary projects. At the end of each financial year the surplus from the administration and mandatory reserves are transferred to the discretionary reserve. At year end the accumulated surplus amounted to R209,4 million. Reserves represent unspent levy funds available to fund

future project/ discretionary expenditure. An application is made each year to National Treasury for the retention of the surplus funds.

## Investments Policy

The investment of SETA funds is managed in terms of its investment policy. This allowed for investment by way of short term fixed deposits with the big four South African banks and a proviso that not more than 40% be held within one institution at any point in time. This policy ensured that there was minimum risk to the capital and allowed INSETA to capitalise on the most favourable interest rate offered. Investment income for the period amounted to R14 million (2010/11 was R12.9 million).

## Cost of Consultants and Technical Advisors

INSETA's main service providers, listed below, have not changed during the year and are:

Consultants and Technical Advisors	Service	Cost for 2011/12
Deloitte	They provide outsourced services in information technology, financial management and various other back office processes. INSETA's Board approved their contract be extended to 31 August 2012.	R7,510,096
OMA Chartered Accountants	They provide the outsourced internal audit function. They are contracted until 31 March 2012.	R676,834
Auditor General	They perform the external audit function, which is a legislative requirement for all SETA's.	R1,371,226

INSETA continues to operate well within the legislative limit and any cost savings is made available for spending on discretionary projects.

**Levy paying employer information**

The total number of Levy Payers registered with INSETA for the year under review was 1712. The table below illustrates the company size and number of registered levy paying employers as well as the number of Workplace Skills Plans and Annual Training Reports received for 2011/2012.

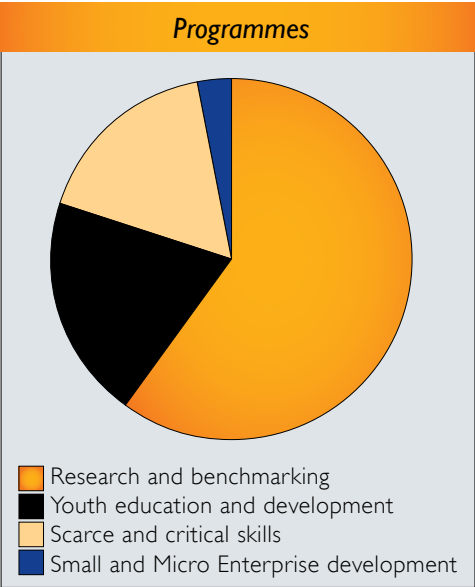
Submission of WSP/ATR by levy paying companies		
Organisation size	No of registered levy paying employers	Submitted (2011 WSP-All Statuses)
Large (150+)	72	69
Medium (50–149)	108	97
Small (1–49)	1532	714
Total	1712	880

**Submission of Workplace Skills Plans (WSP) and Annual Training Reports (ATR)**

Through the submission of either a Workplace Skills Plan (WSP) or an Annual Training Report (ATR) employers are able to claim back 50% of their mandatory grant payments from INSETA. We are pleased to report that INSETA achieved a 95% payout grant ratio for the financial year, this being the highest payout in the last five years of INSETA.

**INSETA programmes**

All INSETA discretionary projects fall into one of the programmes that support the Strategic Outcome Oriented Goals and NSDS III indicators. The goal is to continue increasing the spend rate in order to optimise impact in the sector. Discretionary grant projects that were active in 2011/12 financial year are distributed across the Programmes in the following percentages:



## ***Research and benchmarking programme***

### ***Sector Skills Plan (SSP) Project***

The INSETA SSP is a document which serves to identify the skills needs of the insurance sector and report on training planned by the sector. It also examines the concepts of employment, skills and qualifications from a broader point of view. It serves to identify industry dynamics which drives the sector. The SSP is a tool which INSETA uses to track its own progress in terms of addressing skills shortages and supporting transformation in the insurance sector.

The purpose of the SSP, Annual Updates and Annual Strategic Plans is to identify and address trends and not the details of skills demand at individual employee or company level. The intention is not to produce detailed skills audits. INSETA is positioning itself to become the authority on labour market analysis in the insurance sector. This will be achieved by developing a Sector Skills Plan (SSP) that has a strong employer led process and ownership of the SSP vesting in the insurance sector. During the year under review we conducted broad consultation with the sector and focused consultation with a dedicated SSP steering committee

made up of key sector representatives. The SSP for 2012 has made great strides towards articulating the collective needs of both levy and non -levy -paying institutions. Going forward we hope to see the SSP set out an agreed sector strategy to address skills needs in the insurance sector.

### ***QCTO Project***

The new NQF Act as amended in 2008 brings changes to the quality assurance role of the SETA and the ETQA function now becomes the mandate of the Quality Council for Trades and Occupations (QCTO). Whilst the South African Qualifications Authority (SAQA) remains as the apex body over the quality councils, the QCTO will, going forward, assume the responsibilities traditionally carried by the SETA's ETQA division. The QCTO will consider models for delegating qualifications development and quality assurance functions to suitable bodies and INSETA's role in quality assurance will then be established.

The QCTO is now becoming operational with the introduction on 1 April 2012 of the new CEO, Ms Joyce Mashabela, and the appointment of senior staff. The quality council has since initiated an official partnership of consultation and collaboration with the SETA's to manage

The SSP is a tool which INSETA uses to track its own progress in terms of addressing skills shortages and supporting transformation in the insurance sector.

transition to the new education and training system and establish best-practice models based on the ETQA experience to date. The focus is on developing a national standardised policy and procedures for the development and quality assurance of occupational qualifications.

INSETA has been awarded the status of “Development Quality Partner” for two qualifications and has participated in the development of six occupational qualifications emanating from extensive consultation with industry partners to identify priorities. The voluntary commitment and tireless dedication of both employers and independent practitioners has enabled INSETA’s participation in the following qualifications, which are in various stages of development and/or registration with the QCTO:

- INSETA – Insurance Underwriter (submitted to QCTO)
- INSETA – Financial Services Representative (currently in development)
- BankSETA - Organisation Risk Manager (submitted to QCTO)
- ETDP SETA – Learning and Development Professional (currently in development)

- Principal Officers Association – Professional Principal Executive Officer (currently in development)
- MerSETA – Vehicle Damage Quantifier (Motor assessor) (currently in development)

Under the new occupationally-driven model INSETA has had an opportunity to develop qualifications that are driven by labour market needs creating an alignment between skills demand and supply.

***Youth education and development programmes***

***Learnerships Project***

Learnerships are selected by companies to address scarce skills identified in the sector and in line with business needs and imperatives. Companies hosted learners in the following provinces: Gauteng, Western Cape, KwaZulu-Natal and Eastern Cape. Funding allocated for these Learnerships amounted to R30,7 million. The project achievements are as follows:

- 57 Companies hosted learners in Insurance-Specific and Cross Sectoral Learnerships;
- 350 Employed Learners

- 739 Unemployed Learners
- 108 Disabled Unemployed Learners

There are 20 learners who terminated the Learnerships before completion, most of whom did so because they were offered employment elsewhere. Learners who terminated recorded the challenge of meeting work-related targets with learning as the main reason for terminations.

### ***Internships Project***

An amount of R18,7 million was allocated for this project. 275 Interns were hosted in 58 companies in Gauteng, Western Cape, KwaZulu-Natal and Eastern Cape.

INSETA also allocated R1, 2 million to a special project targeting 10 People with Intellectual Disabilities to be hosted on internships in companies in the Insurance Sector to assist them to acquire employment.

### ***Promotion of the Insurance Sector Project***

INSETA participated in many career guidance exhibitions which were held throughout the country. Here we gave school children and the unemployed advice on what careers are available in

the insurance sector and the qualifications required to enter the sector. Most noteworthy was our participation in the Mandela Day Career Guidance Festival which was held at the Ingwe College (Nqgugqushu Campus), in Lusikisiki; the Hammanskraal Youth Exhibition (this was coordinated by INSETA); and the Sci Bono Finance week which is held annually each year.

INSETA also participated in INMAG which is an insurance sector publication which provides comprehensive guidance on careers available in the insurance sector.

### ***Scarce and critical skills programmes***

#### ***FETI-HETI Articulation Learnership Project***

For the first time in the history of SETAs and Higher and Further education institutions, a pilot project was run that would result in articulation from a SETA qualification offered by FET Colleges into a University qualification. This project saw the integration of competencies and efforts of the following role players:

- Five FET Colleges offering training. The five FETs were Boland College; College



108 unemployed disabled learners participated in learnerships.

<p>of Cape Town; False Bay College; Northlink College, and South Cape College.</p> <ul style="list-style-type: none"><li>• INSETA funded R3,1 million for 100 learners undertaking the NQF Level 5 Certificate in Wealth Management and the quality assurance of the training offered</li><li>• Financial Planning Institute (FPI) ensuring quality assurance of Board Exams for Financial Planning</li><li>• University of the Western Cape (UWC) ensuring bridging programme that would ensure articulation into Advanced Diploma in Management Studies</li></ul> <p>UWC agreed to accept all students who passed the NQF Level 5 Certificate in Wealth Management and the FPI Board exam at 60 % or above into the Advanced Diploma in Management Studies at NQF Level 6.</p> <p>All students on the programme were recruited by large insurance companies with the exception of South Cape College, who recruited a range of Small Insurance Brokerages, many of whom were owners of their businesses. Each FET College registered 20 learners. Of the 100 learners who started training in the pilot, 77 completed</p>	<p>the programme successfully. 23 learners subsequently enrolled at UWC for the Advanced Diploma in Management Studies (ADM) in 2012.</p> <p><b><i>South African Actuaries Development Project</i></b></p> <p>This project has been inspired by a shortage of actuaries in the economy, which will impact the insurance sector. INSETA and the South African Actuaries Development Programme (SAADP) have partnered for the third year and INSETA has provided bursaries to 65 actuarial science students in the financial year.</p> <p><b><i>Business and Systems Analyst Project</i></b></p> <p>This programme provided both training and a 12 month internship, together with internal mentorship from the host company and external mentorship via a facilitated peer support group. The training comprised a part-time Post-Graduate Diploma in Business Analysis and Systems Analysis Diploma at NQF Level 8, which was customised specifically for the Insurance Industry by the University of Cape Town's Information Systems Department. 40 candidates were selected from the pool of suitable applicants by host companies based on their own internal operational requirements.</p>
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2 of the 40 interns selected secured permanent employment before officially starting with the programme. At the end of the programme - January 2012, 35 of the 38 Interns were employed full-time or had their contracts extended. Of the 3 who were not full-time employed, 1 was still going to interviews, 1 decided to study further and 1 went into self-employment with his previous host company as his first client. This means only 1 graduate is still looking for employment i.e. 95% employment rate.

### ***Fais Fit and Proper Compliance Support Project***

This project is primarily focused on assisting the insurance industry to become FAIS compliant under the revised FAIS Fit and Proper Determination (F&P), whereby the FSB lists extended and new requirements for licensing of Financial Advisors (FA's) after 1st January 2010.

The FSB extended the deadline for completing the Level 1 (Legislation) Regulatory Examinations to 30 June 2012. Many Financial Advisors had not attempted the exams, so INSETA, in conjunction with the FSB and Examining Bodies, conducted free RE Preparatory seminars around the

country to assist Advisors in preparing themselves for the exams.

A total of 29 seminars were conducted countrywide in all nine provinces, and 4 318 delegates benefitted from the sessions. Feedback received from them was extremely positive. The Level 2 (Product Knowledge) exams have not yet commenced, as priority has been given to Level 1. INSETA's FAIS Project Office continues to give full support to stakeholders on a daily basis regarding FAIS requirements. New entrants to the industry now have to complete a full recognised qualification within 6 years of appointment, and have to do the Regulatory Exams.

### ***Bursaries for the Employed Project***

INSETA Bursary policy allowed for employers to apply for bursary funding for their workers in areas of scarce and critical skills. The process has proved to be burdensome as a number of challenges have been experienced. The process is document intensive and employers did not submit all the required documentation; training was often delayed; learners did not complete the training; some training was training provider driven; and employers misinterpreted scarce skills e.g. IT skills to mean end user skills

INSETA's FAIS Project Office continues to give full support to stakeholders on a daily basis regarding FAIS requirements.

training in Microsoft word etc. INSETA has reviewed the top five scarce and critical skills and this will be implemented going forward.

***Small and micro enterprise development***

***National support for SMMEs***

INSETA has a well-established regional presence in all nine provinces through the appointment of its Regional Advisors. Regional Advisors promote INSETA's activities at a regional level. Over 800 support visits were made to stakeholders by the regional advisors.

***SMME Learnership Project***

INSETA launched its SMME Learnership programme which targeted the often neglected SMME sector. The programme, which is aimed at supporting work-based experience and helping the sector grow its own skills, will offer its participants a NQF Level 4 qualification as well as FAIS compliance. Its goal is to boost skills and promote a FAIS compliant industry as well as to give school leavers valuable hands-on work experience. This project targeted to have 180 learners hosted in Insurance Brokerages across all provinces in South

Africa registered in either a Short Term or a Long Term Insurance Learnerships at Level 4. There are currently 140 learners hosted in 24 companies in the following provinces:

- Eastern Cape – Mthatha, East London and Port Elizabeth with total of 48 Learners
- Gauteng – Johannesburg and Pretoria 59
- Western Cape – Cape Town 5
- Free State – Bloemfontein 8
- KwaZulu-Natal – Durban 20

Vodacom has sponsored each of the learners with their product, the WebBox, a portable device that allows internet access through a television, and a year's worth of free data for the device. This means that learners will be able to obtain all the information needed for their learnership programmes at no expense, while at the same time developing technological savvy.

***Burial Society Co-operative Support Project***

The objective of this project was to support Burial Society co-operatives, small enterprises, worker-initiated, NGO and community training initiatives operating

in the Insurance sector with skills training to maximise the economic role of these bodies. INSETA partnered with BUSOSA and SAFOBS which are two bodies that represent burial societies in the country. Burial Societies from across South Africa gathered at the second annual INSETA Burial Society Indaba hosted by INSETA in November 2011. The Indaba highlighted important facts regarding the state of the sector, and gave those present a chance to engage with government and key industry role-players around the future of the industry. The issue that came under closest scrutiny during the two-day event was the new legislation currently being developed for the micro-insurance industry, and the implications that this would have on burial societies and their position as informal bodies. The Indaba discussed the establishment of a framework to regulate the burial society industry, while at the same time, exploring new opportunities for growth and skills development within a more organised structure.

INSETA has appointed providers nationally to assist burial societies which want to register as co-operatives.

### ***Employment creation and new business opportunities project***

The main objectives of the Employment Creation Co-Funding Window are:

- To support a best practice business model or innovation that will lead to sustainable job creation.
- To increase the number of new jobs created within the insurance sector through co-Funding of new or existing business opportunities being created by employers.
- To increase the insurance sector skills base through engagement of new entrants or re-employment of individuals previously employed in the sector.
- To rehabilitate former brokers who have lost their licences, but would like to return to the sector or provide employment or new business opportunities to those previously retrenched from the sector.

The funding window was recently opened and INSETA has put together an expert panel that is in the process of evaluating the applications received.

INSETA has a well-established regional presence in all nine provinces through the appointment of its Regional Advisors.

Compliance

Fraud and corruption

No incidents of fraud were reported through our independent hotline during the course of the year. An incident of fraud was reported to INSETA by a venue provider which concerned a fixed term staff member. The matter was investigated and disciplinary action was taken and the employee was found guilty. A criminal case was opened against the employee and after prosecution the employee was found guilty of fraud and fined by the courts. No civil action for recovery was taken because the amount involved was only R1 000 and the recovery thereof was not cost effective. INSETA also received information relating to allegations of false learnership stipend claims by three employers in the Western Cape. The matter has been investigated and INSETA is pursuing the matter in the courts.

Audits

I am pleased to note that the Auditor General has once again given INSETA an unqualified audit. An area of weakness highlighted was on the recording of commitments that resulted in us overstating our commitments in the financial statements that were submitted to the Auditor General.

This has subsequently been corrected and measures have been put in place to ensure that there are no future occurrences. Our internal auditors during the year were OMA and they provided assurances on our internal controls through a risk based audit. Performance audits were conducted by DHET at the end of each quarter on INSETA performance information.

The South African Qualifications Authority (SAQA) statistics of our September 2011 bi-annual upload to the NLRD reflected a decrease in learner numbers from the previous financial year. Our total submission to the NLRD for the 2011-12 financial years contained the following number of data records, which is a noteworthy achievement compared with other years:

Data Record	Total data records uploaded to NLRD (1 April 2011 to 31 March 2012)
Learnership enrolment/achievement	6243
Qualification enrolment/achievement	22954
Unit Standard enrolment/achievement	2159606

***PR and marketing***

INSETA enjoyed increased coverage in the print media during the year. This was attributable to us increasing the number of press releases issued and positioning INSETA as a thought leader and enabler in education and training.

***Challenges and the way forward***

As we enter into the second year of NSDS III there are several challenges and opportunities, which the SETA faces, namely:

- the implementation of NSDS III especially with the increased focus on delivery in rural areas and capacitation of FETs;
- providing assistance to the sector especially small brokers in terms of the FAIS Fit & Proper;
- the proposed new SETA Grant Regulations regarding monies received by a SETA and related matters will have an implication upon system developments and require additional reporting by the SETA;
- implementing the research agenda for the insurance sector
- creating career pathways and qualifications in partnership with

public higher and further education institutions;

- promoting transformation in the Insurance Sector through all levels; and
- improving and strengthening internal controls of INSETA to limit opportunity for fraud and corruption involving learnership stipend payments to employers.

***Appreciation***

I must express my sincere appreciation to our Chairperson, Mzimkulu Msiwa and all the members of our Board and Board Committees, for their strategic guidance and leadership that they provide to the SETA. To all the managers and staff, thank you for your support, dedication, commitment and hard work, it is truly appreciated. I am blessed to have such a supportive team. My sincere gratitude goes to our stakeholders for their on-going involvement and incredible support.



**Sandra Dunn**  
**Chief Executive Officer**



# report of the audit committee

Report of the Audit Committee to the INSETA Board for the year ended  
31 March 2012

## **Introduction**

We are pleased to present our report for the financial year ended 31 March 2012.

## **Audit Committee Members and Attendance**

The Audit Committee consists of the members listed below and met six times during the period under review. At the date of this Report the Audit Committee consisted of the following members:

Member	Date appointed by Council	Number of meetings attended during period under review
Dr. Gerrit Sandrock (Chairperson)	3 December 2009	6 of 6
Ms. Jeanine Poggiolini	3 December 2009	6 of 6
Mr. Thabit Gool	Appointed 25 May 2011 Resigned 28 February 2012	1 of 3
Mr. Godfrey Nti	3 December 2009	4 of 6
Mr. Jay Ramsunder	6 April 2011	6 of 6

### ***Audit Committee Responsibility***

The Audit Committee has adopted appropriate formal terms of reference, which are outlined in the Audit Committee Charter. The Audit Committee regulated its affairs in compliance with this Charter and has discharged its responsibilities as contained therein.

The system of controls is designed to provide effective assurance that assets are safeguarded liabilities and working capital are efficiently managed and that there is compliance with relevant laws and regulations in line with the PFMA and the King II Report on Corporate Governance requirements. Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements (AFS), and management letter of the Auditor-General, it was noted that no significant or material

non-compliance with prescribed policies and procedures have been reported. Accordingly, the Committee can report that the systems of internal control for the year under review were effective and efficient.

### ***Evaluation of Annual Financial Statements***

The Audit Committee has:

- Reviewed the SETA's Performance Information.
- The process to identify and manage risk.
- On an ongoing basis, the results of the risk assessment process as outlined in the Risk Matrix.
- The internal audit coverage plan and budget and identified areas where the work of internal and external audit could be maximised.
- Obtained and considered periodic assurances regarding INSETA'S continued compliance with the PFMA and other legislation.
- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report together with the Reports from the Auditor-General and the Accounting Authority.

- Reviewed the Auditor-General management letter and management's response thereto.
- Reviewed the appropriateness of and changes in accounting policies and practices.

**Ethics hotline**

During the period under review no complaints were received. However the Audit Committee is investigating and taking action against certain individuals or employers who have perpetrated fraud.

**Conclusion in respect of the year under review**

The Audit Committee wishes to report to the Board that in its opinion:

- The respective charters of the audit committee and internal audit continue to be appropriately aligned to the Treasury Regulations and corporate governance practices.
- The Audit Committee has effectively carried out its responsibilities and functions in accordance with the statutory requirements and its charter.

- The internal auditors (OMA Chartered Accountants) have operated objectively and independently. Their mandate includes providing independent assurances on the effectiveness of controls in terms of an Internal Audit Coverage Plan approved by the Audit Committee. This Plan is reviewed annually by the Committee so as to ensure that all significant functions, business processes and systems will be afforded internal audit coverage within the 3 year internal audit cycle required by the PFMA.
- The external auditors (Office of the Auditor General) have identified no impediments to conducting their audit of the Annual Financial Statements of INSETA.
- The continued adequacies of the methodology to more comprehensively identify, assess and document the risks are being given appropriate attention from management, the Audit Committee and internal audit.
- The effectiveness of measures taken to mitigate identified risks is continuously being assessed by management and internal audit.

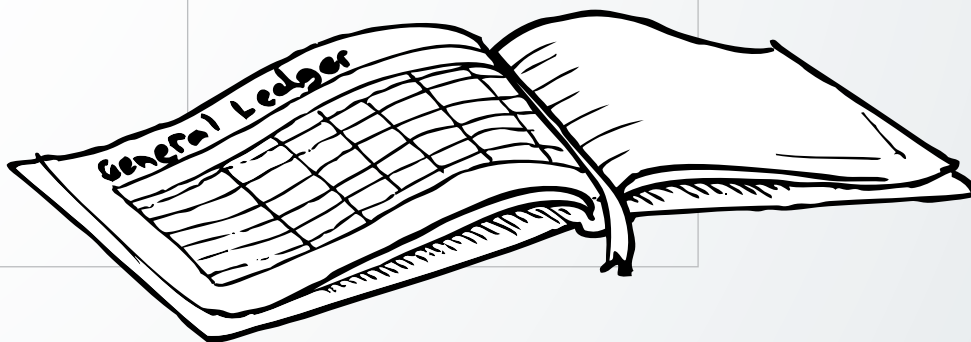
- Control weaknesses identified and recommendations for control enhancements identified by internal audit receive adequate management attention.
- The Committee is satisfied that the SETA's overall system of internal control operated satisfactorily during the year under review.

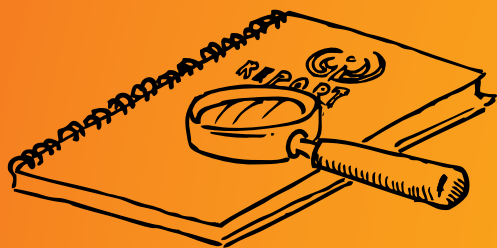
The Audit Committee concurs and accepts the Auditor-General conclusions on the

Annual Financial Statements. The Audit Committee recommended that audited Annual Financial Statements be accepted together with the report of the Auditor-General.



***Dr. Gerrit Sandrock***  
***Chairperson of the Audit Committee***  
***July 2012***





# report of the auditor-general

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 set out on pages 28 to 77, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## ***Accounting authority's responsibility for the financial statements***

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and 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 2012, and its financial performance and cash flows for the year then ended in accordance with 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).

**Report on other legal and regulatory requirements**

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

**Predetermined objectives**

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 83 to 85 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable,

specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

10. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

**Compliance with laws and regulations**

11. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

### ***Annual financial statements, performance and annual report***

12. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 55(1) (b) of the PFMA. Material misstatements of the commitments disclosure note identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

### ***Internal control***

13. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matter reported below under the fundamentals of internal control is limited to the significant deficiencies that resulted in, the finding on compliance with laws and regulations included in this report.

### ***Financial and performance management***

14. Controls over daily and monthly processing and reconciling of transactions were not implemented over the commitments disclosed in the notes to the financial statements. As a result material adjustments were made to the financial statements submitted for audit.

*Auditor-General*

Pretoria

31 July 2012



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*



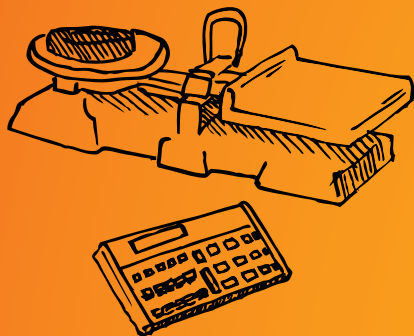
The Annual Financial Statements for the year ended 31 March 2012, set out on pages 28 to 77, have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, on 30 July 2012, and are signed on their behalf by:

Sandra Dunn - CEO

Mzimkulu Msiwa - Chairperson

# *annual financial statements*

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# report of the accounting authority

Report by the Accounting Authority to the Executive Authority and Parliament  
of the Republic of South Africa

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 2012 and also the Financial Performance and Summary Cash Flow Activities for the year ending 31 March 2012. 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 INSETA and INSETA's 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 twelfth 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***

The Insurance Sector Education and Training Authority promote and represent 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".

INSETA's constituents cover the following sub-sectors of the Insurance Sector:

- Short-Term Insurance
- Life Insurance
- Insurance and Pension Funding
- Risk Management
- Health Care Benefits Administration
- Collective Investments
- Funeral Insurance
- Reinsurance
- Pension Funding and
- Activities auxiliary to Financial Intermediation

The Insurance Sector is a rapidly evolving, growing and developing major player in the South African economy. Approximately 8957 employers have registered with the South African Revenue Services within the Insurance Sector, with 1712 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, which comprises of Employer, Labour and State representatives, governs the affairs of INSETA. INSETA currently has a permanent staff compliment of 38 as at 31 March 2012. Regional Advisors have been appointed in Gauteng, Western Cape, Eastern Cape and KwaZulu-Natal to assist, support and guide small employers in terms of the skills development legislation.

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 R40,9 million from R219,8 million for the 2010/11 financial year to R260,7 million for the 2011/12 financial year. Changes in levy income estimates relating to prior years are included in the current year balances. The administration surplus for 2011/12 was R3,6 million (2010/11 R3,1 million). The actual administration expenditure for the current financial year was R29,5 million (2010/11 R24,4 million). Total project and grant expenditure for the current financial year amounted to R222,2 million (2010/11 R187,8 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 hour	Annual allowance*
Chairperson	R 492	R79 192
Ordinary member	R 382	R61 571

\* The annual allowance is paid when a board member attends more than 50% of the scheduled meetings. The annual allowance is pro-rated in accordance with the number of meetings attended.

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	9 168	61 571	76 643
	HR Committee (Chairperson)	5 904		
A. Keet (Prof.)	Board	6 112	49 257	59 953
	HR Committee	4 584		
B. McKay (Mr.)	Board	9 168	61 571	76 469
	Finance, IT & administration committee	5 730		
B. Scott (Mr.)	Board	7 640	56 440	72 936
	Finance, IT & administration committee (Chairperson)	8 856		
C. Duma (Mr.)	Board	7 640	49 257	60 335
	HR Committee	3 438		
G. Conradie (Ms.)	Board	3 056	34 206	40 700
	Executive committee	3 438		
G. Nti (Mr.) <sup>1</sup>	Audit committee	21 600	-	21 600
G. Sandrock (Dr.) <sup>2</sup>	Audit committee(Chairperson)	59	-	59 678
	Board (Ex-officio capacity as Chairperson of Audit Committee)	678		
J. Poggiolini (Ms.) <sup>3</sup>	Audit committee	25 000	-	25 000
J. Ramsunder (Mr.)	Audit committee	6 876	61 571	77 615
	Board	9 168		
J. van Greuning (Mr.) <sup>4</sup>	Finance, IT & administration committee (Chairperson)	1 000	-	1 000
M. Machai (Mr.)	Board	9 168	61 571	78 761
	Executive committee	3 438		
	HR Committee	4 584		
M. Msiwa (Mr.)	Board (Chairperson)	11 808	79 192	95 428
	Executive committee (Chairperson)	4 428		
M. Naidoo (Ms.) <sup>5</sup>	Board	7 640	57 173	73 981
	Executive committee	3 438		
	Finance, IT & administration committee	1 146		
	HR Committee	4 584		
R. Govenden (Mr.)	Board	6 112	41 047	49 451
	Executive committee	2 292		
S. Padayachee (Ms.)	Board	4 584	39 182	48 350
	Finance, IT & administration committee	4 584		
T. Gool (Mr.) <sup>6</sup>	Audit committee	1 146	39 581	51 805
	Board	7 640		
	Finance, IT & administration committee	3 438		

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
V. Harrypersadh (Ms.)	Board	7 640	32 068	39 708
W. Seya (Mr.)	Board	7 640	55 974	69 344
	Finance, IT & administration committee	5 730		
TOTAL		R 301 736	R 779 661	R 1 078 757

Note:

The payments indicated above are paid to the member or nominating organisation.

*Remuneration of the 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*

	2011/12	2010/11
Basic Salary	R 1 084 080	R 928 500
Bonuses (expensed)	R 332 424	R 320 000
Travel Expenses and Allowances	R 24 000	R 24 000
Total	R 1 440 504	R 1 272 500

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

- 
- 1 Mr. G Nti is remunerated at SAICA rates for the meetings attended.
  - 2 Dr. G Sandrock is remunerated at SAICA rates for the meetings attended.
  - 3 Ms J Poggiolini is remunerated at SAICA rates for the meetings attended.
  - 4 Mr J van Greuning resigned from the Finance, IT and administration committee in May 2011.
  - 5 Ms M Naidoo was placed on the HR committee and resigned from the Finance, IT & administration committee in July 2011.
  - 6 Mr T Gool was appointed to the Audit Committee in May 2011 and resigned from the committee in February 2012.

**COO: Sharon Snell**

	2011/12	2010/11
Basic Salary	R800 000	R615 859
Bonuses (expensed)	R75 000	R61 586
Total	<b>R875 000</b>	<b>R677 445</b>

***Business address***

The Insurance Sector Education and Training Authority is situated on the Ground Floor, North Wing, Oakhurst, 11. St. Andrews Road, Parktown, Johannesburg. The postal address is P O Box 32035, Braamfontein, 2017.



***Mzimkulu Msiwa***  
***Chairperson, INSETA***



***Sandra Dunn***  
***Chief Executive Officer, INSETA***

**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 31 March 2012*

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Skills Development Levy: income from non-exchange transactions	2	260 721	219 830
Skills Development Levy: penalties and interest from non-exchange transactions		1 723	2 168
Investment income	3	13 983	12 922
Other income	4	104	44
Total revenue		276 531	234 964
EXPENSES			
Employer grant and project expenses	5	(222 153)	(187 809)
Administration expenses	6	(29 520)	(24 351)
Total expenses		(251 673)	(212 160)
SURPLUS FOR THE YEAR	1	24 858	22 804

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	1 152	856
Intangible assets	8	44	37
Total non-current assets		1 196	893
Current assets			
Accounts receivable from exchange transactions	9	1 932	1 008
Accounts receivable from non-exchange transactions	10	8 311	2 522
Consumables		33	67
Cash and cash equivalents	11	273 658	240 176
Total current assets		283 934	243 773
TOTAL ASSETS		285 130	244 666
Current liabilities			
Trade and other payables from non exchange transactions	12	65 006	48 331
Trade and other payables from exchange transactions	13	7 189	8 703
Current portion of finance lease obligations	14	-	18
Government Grants and donor funding received in advance	15	9	9
Provisions	16	3 522	3 059
Total current liabilities		75 726	60 120
Total net assets		209 404	184 546
FUNDS AND RESERVES			
Funds and reserves			
Administration reserve		1 196	893
Employer grant reserve		19	129
Discretionary reserve		208 189	183 524
Total funds and reserves		209 404	184 546

**STATEMENT OF CHANGES IN NET ASSETS**  
*for the year ended 31 March 2012*

	Notes	Admin- istration reserve R'000	Employer grant reserve R'000	Discre- tionary reserve R'000	Unappro- priated surplus R'000	Total R'000
Balance at 31 March 2010		1 143	118	160 481	-	161 742
Surplus per Statement of Financial Performance		-	-	-	22 804	22 804
Allocation of unappropriated surplus	I	3 192	7 316	12 296	(22 804)	-
Excess reserves transferred to Discretionary reserve		(3 442)	(7 305)	10 747		-
Balance at 31 March 2011		893	129	183 524	-	184 546
Surplus per Statement of Financial Performance		-	-	-	24 858	24 858
Allocation of unappropriated surplus	I	3 680	13 089	8 089	(24 858)	-
Excess reserves transferred to Discretionary reserve		(3 377)	(13 199)	16 576		-
Balance at 31 March 2012		1 196	19	208 189	-	209 404

An amount of R1 196 000 (2011: R893 000) is retained in the administration reserve equal to the carrying value of property, plant and equipment and intangible assets.

An amount of R19 000 (2011: R129 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.

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		255 916	220 423
Levies, interest and penalties received		255 812	220 379
Other cash receipts from stakeholders		104	44
Cash paid to stakeholders, suppliers and employees		(235 604)	(194 587)
Grant and project payments		(205 478)	(170 374)
Compensation of employees		(10 960)	(10 315)
Payments to suppliers and other		(19 166)	(13 898)
Cash generated from operations	17	20 312	25 836
Investment income	3	13 934	12 875
Finance Costs: Finance lease		(1)	(3)
Net cash inflow from operating activities		34 245	38 708
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(732)	(250)
Purchase of Intangible assets	8	(31)	(30)
Net cash outflow from investing activities		(763)	(280)
Net increase in cash and cash equivalents		33 482	38 428
Cash and cash equivalents at beginning of year	11	240 176	201 748
Cash and cash equivalents at end of year	11	273 658	240 176

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
*for the year ended 31 March 2012*

	Approved Original Budget 2011/12 R'000	Budget ad- justments 2011/12 R'000	Final Budget 2011/12 R'000	Actual 2011/12 R'000	Favourable /(Unfa- vourable) variance 2011/12 R'000
REVENUE					
Skills Development Levy: income from non-exchange transactions	215 631	38 814	254 445	260 721	6 276
Skills Development Levy: penalties and interest from non-exchange transactions	-	-	-	1 723	1 723
Investment income	11 400	1 600	13 000	13 983	983
Other income	-	-	-	104	104
Total revenue	227 031	40 414	267 445	276 531	9 086
EXPENSES					
Employer grant expenses	(128 031)	(23 045)	(151 076)	(150 059)	1 017
Project Expenses	(72 046)	(12 517)	(84 563)	(72 094)	12 469
Administration expenses	(26 549)	(4 752)	(31 301)	(29 520)	1 781
Total expenses	(226 626)	(40 314)	(266 940)	(251 673)	15 267
SURPLUS FOR THE YEAR	405	100	505	24 858	24 353

The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities, part 2 par 53. Due to large variances on skills development levy income INSETA performed a rebudgeting exercise and adjusted the initial approved budget. All changes to the initial budget were approved by the Accounting Authority.

INSETA does not budget for a surplus. The R 405 000 shown as a surplus in the original budget and the R 505 000 shown in the final budget was budgeted as capital expenditure of which R 763 000 was spent.

For details regarding the difference between budget and actual amounts refer to Note 25.

## **ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012**

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

### **1. Basis of preparation**

The annual financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, including any interpretations of such Standards issued by the Accounting Standards Board.

### **2. Currency**

These financial statements are presented in South African Rands since that is the currency in which the majority of the entities transactions are denominated.

### **3. 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, levies from the National Skills Fund, grants from the national government and donor funding.

#### **3.1.1 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 the SETA (net of the 20% contribution to the National Skills Fund (NSF)). The SETA was not in a position to verify that SARS has collected all potential skills levy income.

Revenue is adjusted for transfers between the SETAs due to employers changing SETAs. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent Standard Operating Procedure issued by 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 the SETA 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 the SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

### **3.1.2 Interest and penalties**

Interest and penalties received on the skills development levy are recognised on an accrual basis.

### **3.1.3 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 special conditions have been met. The liability is reduced by any valid project expenditure incurred and recognised as revenue.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of the SETA, as the SETA controls such assets for the duration of the project. Such assets may however only be disposed of in terms of an agreement and specific written instructions by the NSF.

### **3.1.4 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.

## **3.2 Revenue from exchange transactions**

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

is measured at the fair value of the consideration received or receivable.

### **3.2.1 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.

## **4. Grants and project expenditure**

A registered employer may recover a maximum of 50% 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 50% of the total levies contributed by employers during the corresponding financial period.

### ***Discretionary grant and project expenditure***

A SETA 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 the SETA 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. Effect on revenue adjustments by SARS

The SETA 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 the SETA 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.

## **5. 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.

## **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 operating surplus or deficit for the year

## **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 operating surplus or deficit for the year.

## **8. *Consumables***

Consumables are recognised as an asset at cost on the date of acquisition and are subsequently recognised in surplus or deficit as they are consumed.

## **9. *Leasing***

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and are recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

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 lesser by way of penalty is recognised as an expense in the period in which termination takes place.

## ***10. Provisions***

Provisions are recognised when the SETA 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.

## ***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 and expensed only when the payment is made.

Liabilities for annual leave are recognised as they accrue to employees. The SETA 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.

No provision has been made for retirement benefits as the SETA does not provide for retirement benefits for its employees.

## ***12. Grants and projects***

### ***Mandatory and discretionary grant payments***

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 the SETA 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 provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements.

## ***13. Financial instruments***

### ***Recognition***

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

***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 the SETA are categorised as loans and receivables.

***Loans and receivables***

Accounts receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at 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.

***Financial liabilities***

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

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

***Other financial liabilities***

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

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant

period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

#### 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:

	2011/12 %	2010/11 %
Administration costs of the SETA	10	10
Employer Grant Fund Levy	50	50
Discretionary grants and projects	20	20
Received by the SETA	80	80
Contribution to the National Skills Fund	20	20
	100	100

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

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

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.

#### 15. Comparative figures

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

#### 16. Taxation

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

## I Allocation of surplus for the year to reserves:

	Total per Statement of Financial Performance 2010/11 R'000	Total per Statement of Financial Performance 2011/12 R'000	Administration reserve R'000	Employer grants reserve R'000	Discretionary grants R'000	Projects R'000	Total discretionary R'000
Total revenue	234 964	276 531	33 200	163 148	64 477	15 706	80 183
Skills Development Levy: income from non-exchange transactions							
Admin levy income (10%)	27 499	33 096	33 096	-	-	-	-
Grant levy income (70%)	192 331	227 625	-	163 148	64 477	-	64 477
Skills Development Levy: penalties and interest							
from non-exchange transactions	2 168	1 723	-	-	-	1 723	1 723
Investment income	12 922	13 983	-	-	-	13 983	13 983
Other income	44	104	104	-	-	-	-
Total expenses	212 160	251 673	29 520	150 059	365	71 729	72 094
Administration expenses	24 351	29 520	29 520	-	-	-	-
Employer grants and project expenses	187 809	222 153	-	150 059	365	71 729	72 094
Surplus per Statement of Financial Performance allocated	22 804	24 858	3 680	13 089	64 112	(56 023)	8 089

## 2. Skills development levy income from non-exchange transactions

The total levy income per the Statement of Financial Performance is as follows:

	2011/12 R'000	2010/11 R'000
Levy income: Administration	33 096	27 499
Levies received	33 158	27 563
Levies received	33 055	27 557
Intersecta transfers in	104	6
Intersecta transfers out	(1)	-
Levies accrued	(62)	(64)
Levy income: Employer Grants	163 148	137 543
Levies received	163 460	137 859
Levies received	163 072	137 838
Intersecta transfers in	392	22
Intersecta transfers out	(4)	(1)
Levies accrued	(312)	(316)
Levy income: Discretionary Grants	64 477	54 788
Levies received	64 602	54 914
Levies received	64 447	54 903
Intersecta transfers in	157	11
Intersecta transfers out	(2)	-
Levies accrued	(125)	(126)
	260 721	219 830

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**3. Investment income**

	2011/12 R'000	2010/11 R'000
Interest income - bank deposits	13 983	12 922
Received	13 792	12 780
Accrued	191	142
	13 983	12 922

\* Interest received in cash for the year is R 13 934 000 (2011: R 12 875 000) which includes the prior year accrual.

**4. Other income**

	2011/12 R'000	2010/11 R'000
Other income comprises:		
Learner Certificates reissued	5	-
Mandatory grant received	99	44
	104	44

**5. Employer grant and project expenses**

	2011/12 R'000	2010/11 R'000
Mandatory grants	150 059	130 227
Disbursed	139 295	110 098
Movement in provisions and accruals	10 764	20 129
Discretionary grants	365	12
Disbursed	187	(15)
Movement in provisions and accruals	178	27
Project expenditure	71 729	57 570
Disbursed	74 112	57 871
Movement in provisions and accruals	(2 383)	(301)
	222 153	187 809

## 6. Administration expenses

	2011/12 R'000	2010/11 R'000
Depreciation / amortisation	454	526
Loss on disposal of property, plant and equipment	6	4
Operating lease rentals (minimum lease payments)	1 518	1 245
Buildings	1 504	1 236
Plant, machinery and equipment	14	9
Maintenance, repairs and running costs - Property and Buildings	183	159
Interest paid: Finance lease	1	3
Advertising, marketing and promotions, communication	1 114	559
Entertainment expenses	133	95
Gifts, donations and sponsorships paid	6	5
Consultancy and service provider fees	8 264	7 628
Legal fees	31	49
Cost of employment	11 423	10 171
Travel and subsistence	540	672
Staff training and development	578	388
Remuneration to members of the accounting authority	1 775	239
Remuneration to members of the audit committee	135	54
External auditor's remuneration	1 371	1 200
Bad debts written off *	23	-
Allowance for doubtful debts	(55)	(216)
Other	2 020	1 570
Stationery	147	140
Internal audit fees	677	536
Professional Indemnity Insurance	166	249
Telephone costs	377	308
Postage & courier services	102	36
Sundry expenses	551	301
	29 520	24 351

\* Included in the Bad debts written off is R1 000 relating to a loss through criminal conduct. Disciplinary action was instituted and a criminal case of fraud was opened. The employee has resigned from INSETA.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**6.1 Cost of employment**

	2011/12 R'000	2010/11 R'000
Salaries and wages	11 216	9 982
Basic salaries	10 138	8 362
Performance awards	761	1 394
Temporary staff	103	94
Leave payments	213	132
Employee Wellness	1	-
Social contributions	193	179
UIF	51	45
SDL	142	134
Workmans Compensation	14	10
	11 423	10 171
Average number of employees	37	33

## 7. Property, plant and equipment

### Year ended 31 March 2012

Computer equipment  
Office furniture and fittings  
Office equipment  
Office Fixtures  
Balance at end of the year

Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
1 727	(1 326)	401
1 438	(918)	520
436	(371)	65
1 340	(1 174)	166
4 941	(3 789)	1 152

### Year ended 31 March 2011

Computer equipment  
Office furniture and fittings  
Office equipment  
Office Fixtures  
Balance at end of the year

Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
1 395	(1 100)	295
1 306	(816)	490
398	(327)	71
1 119	(1 119)	-
4 218	(3 362)	856

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**Movement summary 2011/2012**

	Carrying amount 2010 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2011 R'000
Computer equipment	295	341	(6)	(229)	401
Office furniture and fittings	490	132	-	(102)	520
Office equipment	71	38	-	(44)	65
Office Fixtures	-	221	-	(55)	166
Balance at end of the year	856	732	(6)	(430)	1 152

**Movement summary 2010/2011**

	Carrying amount 2009 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Carrying amount 2010 R'000
Computer equipment	283	221	-	(209)	295
Office furniture and fittings	567	29	-	(106)	490
Office equipment	123	-	(4)	(48)	71
Office Fixtures	115	-	-	(115)	-
Balance at end of the year	1 088	250	(4)	(478)	856

**Year ended 31 March 2012**

Owned Assets

Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
4 941	(3 789)	1 152
4 941	(3 789)	1 152

**Year ended 31 March 2011**

Owned Assets

Leased assets

Cost R'000	Accumulated depreciation R'000	Closing carrying amount R'000
4 183	(3 351)	832
35	(11)	24
4 218	(3 362)	856

The following useful lives are used in the calculation of depreciation

- Computer equipment 3 years
- Office furniture and fittings 10 years
- Office equipment 5 years
- Office fixtures over the lease term\*

\*The depreciation of office fixtures is linked to an operating lease agreement. The depreciation has been calculated taking the renewal option into consideration.

## 8. Intangible assets

### Application Software

Balance at 1 April 2010  
 Additions  
 Amortisation expense  
 Balance at 31 March 2011  
 Additions  
 Amortisation expense  
 Balance at 31 March 2012

Cost R'000	Accumulated Amortisation R'000	Closing carrying amount R'000
309	(254)	55
30	-	30
-	(48)	(48)
339	(302)	37
31	-	31
-	(24)	(24)
370	(326)	44

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

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

## 9. Accounts receivable from exchange transactions

PAYE receivable  
 Deposits  
 Prepayments  
 Interest receivable

2011/12 R'000	2010/11 R'000
323	323
197	190
1 221	353
191	142
1 932	1 008

The effect of discounting was considered and found to be immaterial.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**10. Accounts receivable from non-exchange transactions**

		2011/12 R'000	2010/11 R'000
Intersecta debtors	24,2	606	161
Employer receivable	10,1	7 705	2 361
		8 311	2 522

**10.1 Employer receivable**

	2011/12 R'000	2010/11 R'000
Overpayment to employers	7 811	2 522
Allowance for doubtful debt	(106)	(161)
Net effect of SARS retrospective adjustments on affected employers	7 705	2 361

R7 811 000 (2011: R2 522 000) was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant over payments. An amount of R106 000 (2011: R161 000) was provided for as doubtful debt. INSETA is confident that it will be able to recover the net balance. Also refer to Note 12 for grant amounts owed to employers as a result of subsequent changes in levy information.

**11. Cash and cash equivalents**

	2011/12 R'000	2010/11 R'000
Cash at bank and on hand	37 180	12 361
Cash at bank	37 178	12 358
Cash on hand	2	3
Short term investments/instruments	236 478	227 815
Cash and cash equivalents at end of year	273 658	240 176

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 5.44% (2011: 5.85%).

INSETA as a Public Entity was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were invested in line with an investment policy as required by Treasury Regulation 31.3.5.

INSETA uses its cash and equivalents to settle its current liabilities and has approved and allocated R214 760 000 for future projects and skills priorities as set out in Note 19.1.

## ***12. Accounts payable from non exchange transactions***

	2011/12 R'000	2010/11 R'000
Skills development grants payable - current year	46 656	46 735
Skills development grants payable - prior year	18 343	1 595
Intersecta payables	7	1
24,2	65 006	48 331

An amount of R3 190 000 (2011: R2 690 000) relates to levies incorrectly contributed by employers, and paid over by SARS and the Department, after being exempted from contributing skills development levies due to new legislation which came into effect 1 August 2005.

## ***13. Accounts payable from exchange transactions***

	2011/12 R'000	2010/11 R'000
Project creditors	3 706	6 089
Service provider fees outstanding	270	518
Leave Accrual	543	408
Sundry payables	2 670	1 688
Trade creditors	1 281	690
Other accrued expenses	1 389	998
	7 189	8 703

The effect of discounting was considered and found to be immaterial.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**14. Finance lease liability**

	2011/12 R'000	2010/11 R'000
Finance Lease Liability	-	18
Less: Short term portion disclosed under current liabilities	-	(18)
Non-current lease liability	-	-

**15. Government grants and donor funding received in advance**

	2011/12 R'000	2010/11 R'000
Opening balance	9	9
Closing balance	9	9

During 2002 INSETA and the Department of Labour jointly had a project with the focus of training assessors. The European Union provided the funding for the project. After completion of the project in May 2007 a balance of R9 000 remained. INSETA has been unsuccessful in establishing the entity and bank account where the refund should be effected and is currently in the process of requesting that INSETA retain the amount.

## 16. Provisions

		2011/12 R'000	2010/11 R'000
Employee bonus provision	16,1	332	369
Provision for incorrect receipts	16,2	3 190	2 690
		3 522	3 059

### 16.1 Employee bonus provision

	2011/12 R'000	2010/11 R'000
Open carrying amount	369	513
Amounts utilised	(798)	(1 913)
Additional provision	943	1 769
Change in estimate	(182)	-
Closing carrying amount	332	369

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

### 16.2 Provision for incorrect receipts

	Opening Balance R'000	Change in Estimate R'000	Addition R'000	Closing balance R'000
<b>2011/12</b>				
Provision for levies from exempt employers	2 690	130	370	3 190
	2 690	130	370	3 190
<b>2010/11</b>				
Provision for levies from exempt employers	2 182	95	413	2 690
	2 182	95	413	2 690

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**17. Reconciliation of net cash flow from operating activities to net surplus**

	2011/12 R'000	2010/11 R'000
Net surplus as per Statement of Financial Performance	24 858	22 804
Adjusted for non-cash items:		
Depreciation / amortisation	454	526
Loss on disposal of property, plant and equipment	6	4
Bad debts written off	23	-
Allowance for doubtful debts	(55)	(216)
Finance costs: Finance lease	1	3
Increase in provisions	463	364
Relating to employment	(37)	(144)
Relating to other	500	508
Investment income	(13 934)	(12 875)
Adjusted for working capital changes:		
Increase in receivables from non-exchange transactions	(5 757)	(1 047)
Increase in receivables	(924)	(619)
Decrease in consumables	34	38
Increase in payables	15 143	16 854
Movement in VAT receivable/payable		
Cash utilised in operations	20 312	25 836

**18. Contingencies**

**18.1 Pending Litigations**

At the reporting date three cases of alleged misappropriation of INSETA funds, relating to discretionary grant projects, were under investigation.

In two of the three cases INSETA received a notice of intention to defend and INSETA has applied for a summary judgement. INSETA has not received a notice of intention to defend the third case. INSETA is now applying for default judgement.

It is estimated that, as a result, additional legal expenses will be incurred to finalise these matters.

At the reporting date the outcome of the three cases are uncertain. Possible financial impact cannot yet be reliably estimated.

**18.2 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. As in the previous year INSETA expects that National Treasury will approve the retention of surplus funds.

### ***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 R19 000 (2011 R129 000) will be payable. The amount is contingent on the number of submission received and approved.

### ***New scheme year levies received***

At the reporting date levies were received in respect of the new scheme year, for which, the Skills Development legislation allows an employer until 30 June 2012 to submit an application for a mandatory grant.

At the reporting date it is estimated, as a result, that additional mandatory grant expenditure of R1 000 (2011 R8 000) will be payable. The amount is contingent on the number of submissions received and approved.

## ***19. Commitments***

### ***19.1 Discretionary reserve***

Of the balance of R208 189 000 (2011 R183 524 000) available in the Discretionary reserve at the end of

March 2012, R214 760 000 has been approved and allocated for future projects and skills priorities as set out below.

Amounts for expenses that have already been contracted or incurred, and therefore included in the employer grant and 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 positive amounts represents credit notes or reallocations of invoice. The negative amounts represents expenses that have incurred against the project.

		Opening balance 2010/11	Allocation Approved by Accounting Authority not fully contracted	Utilised
NSDS	Project Name	R'000	R'000	R'000
	<b>2000 - 2003 projects</b>	(4 731)	-	-
	PWC Management fees (Project office service provider)	368	(4 064)	(4 064)
2,7	ABET level 4 support	1 949	70	1 005
4,6	Black Business training support	1 301	-	174
4,5	Bursaries and voucher project	29 116	(6)	14 454
	Capacity building seminar	100	(147)	(47)
2.8 & 2,5	Career Guide	1 000	(492)	508
4,2	Disability Project	136	-	86
	Employment Equity	763	(658)	105
	Financial Advisory and Intermediary Services Act Support	15 797	(3 372)	3 404
	Impact study	855	-	826
5,3	Institute of Sectoral Excellence	1 018	(963)	55
	IISA	127	(127)	-
	Insurance leadership programme	110	(24)	86
4,2	Internships	25 933	(6 300)	11 889
4,2	Learnerships	53 201	(18 152)	12 315
	Materials Development (INSMAT) / Learning Implementation Guides	(3)	3	-
	New Venture Creation Black Brokers	145	(145)	-
	New venture Dol SLA	1 461	(978)	383
1,2	New Venture Institutional Support	708	(588)	-
1,2	NSA Stakeholder Satisfaction	204	(204)	-
	NSF Critical Skills Project	216	(216)	-
4,2	Partnering with SAADP	5 229	-	4 555
4,1	QCTO	4 725	511	1 430
	QMS Manual	572	(572)	-
	Research	1 816	(788)	884
5,2	Research studies	401	(381)	20
	SAQA / INSETA Joint implementation	(25)	25	-
	SMME Better business toolkit	1 971	(1 960)	11
	SMME Support (Regional Advisors)	3 564	(2 249)	1 295
1	Social Development project	2 201	(1 051)	1 100
	Training of black actuaries	130	(130)	-
	Train the Trainer: Outcomes Based Education Materials Development	(65)	65	-
	Trustee Training Skilling Program	(3)	3	-
2,8	Work Based Experience	1 474	(335)	1 124
2.8 & 1,2	Workshops for Skills Development Facilitators	219	(146)	73

Opening balance 2011/12	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2011/12	Future commitments / contracts
R'000	R'000	R'000	R'000	R'000
(4 731)	4 731	-	-	-
368	-	-	368	-
-	-	-	-	-
1 014	(354)	550	110	-
1 127	(18)	1 108	1	-
14 656	(85)	3 560	11 011	8 782
-	-	-	-	-
-	-	-	-	-
50	(27)	23	-	-
-	-	-	-	-
9 021	-	4 934	4 087	3 900
29	(29)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7 744	(137)	4 078	3 529	1 512
22 734	(10 503)	5 972	6 259	797
-	-	-	-	-
-	-	-	-	-
100	(50)	50	-	-
120	(109)	11	-	-
-	-	-	-	-
-	-	-	-	-
674	(410)	264	-	-
3 806	-	712	3 094	3
-	-	-	-	-
144	(148)	(4)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20	(26)	(6)	-	-
50	-	50	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15	(65)	(50)	-	-
-	-	-	-	-

		Opening balance 2010/11	Allocation Approved by Accounting Authority not fully contracted	Utilised
NSDS	Project Name	R'000	R'000	R'000
	<b>2010/2011 Projects</b>			
4,2	Business Analyst and systems analyst training	-	1 787	-
4,5	FETI-HETI Articulation Pilot	-	3 177	1 211
4,5	GIALSA Settlement and completion of training	-	585	-
4,2	INSETA Capacity Building & Quality Promotion	-	2 516	190
4,2	Learnership Funding Window Year 11	-	57 903	1 433
	Leon Liedeman & Associates Settlement	-	503	503
4,5	Management and Leadership Project	-	7 910	-
4,6	National support for SMMEs 2010 -2011	-	11 835	689
4,1	Project Admin 2010/11	-	4 445	402
4,2	Project for people with Intellectual Disabilities	-	1 283	-
4,2	Promotion of Insurance Sector Year 11	-	2 607	178
4,2	PWC Project Management fees 2010	-	743	743
4,2	SAAD Project 2011	-	8 098	-
4,2	Sector-Demand Internships	-	18 720	550
4,2	Work Readiness Project	-	7 082	-
	<b>2011/2012 Projects</b>			
4,6	Employment Creation and New business opportunities funding window	-	-	-
4,1	Research Project	-	-	-
4,6	SME Learnership	-	-	-
	Burial Societies Co-operatives Skills Support Proje	-	-	-
4,5	Bursaries for the employed: Levy paying	-	-	-
4,1	Research – SSP 2011	-	-	-
4,2	LEARNERSHIPS YEAR 12*	-	-	-
4,2	BASA 2012 Programme*	-	-	-
4,2	SAAD PROJECT YEAR 13*	-	-	-
<b>Total project expenditure</b>		151 983	85 823	57 570

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

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

Opening balance 2011/12	Allocation Approved by Accounting Authority not fully contracted	Utilised	Closing balance 2011/12	Future commitments / contracts
R'000	R'000	R'000	R'000	R'000
1 787	(61)	1 713	13	-
1 966	-	1 682	284	-
585	-	520	65	65
2 326	-	864	1 462	32
56 470	-	21 707	34 763	9 263
-	-	-	-	-
7 910	-	7	7 903	-
11 146	-	4 815	6 331	2 158
4 043	381	1 402	3 022	58
1 283	(79)	40	1 164	780
2 429	-	846	1 583	215
-	-	-	-	-
8 098	(309)	5 313	2 476	2 207
18 170	-	6 794	11 376	8 592
7 082	-	-	7 082	-
-	34 188	212	33 976	978
-	6 062	160	5 902	230
-	11 450	2 970	8 480	7 354
-	3 478	958	2 520	1 500
-	9 000	-	9 000	-
-	1 000	474	526	-
-	33 899	-	33 899	-
-	1 387	-	1 387	1 152
-	13 087	-	13 087	-
180 236	106 253	71 729	214 760	49 578

Contracted Amounts

13 278

Learnership, Internship and Bursary Agreements

36 300

49 578

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2012

### 19.2 Operating Leases

Total of future minimum lease payments under non-cancellable leases:

	2011/12 R'000	2010/11 R'000
Not later than one year	580	349
Later than one year and not later than five years	128	-
	708	349

The operating leases relate to building premises used for office accommodation. The lease agreement for the north wing of the building was entered into effective 1 August 2011 and will be operational for a period of one year, expiring on 31 July 2012. The lease agreement for the west wing of the building was entered into effective 1 September 2011 and will be operational for a period of one year, expiring on 31 August 2012.

### 20. Irregular expenditure

#### 20.1 Irregular Expenditure

	2011/12 R'000	2010/11 R'000
Opening balance	-	2 161
Less: Amounts condoned	-	(2 161)
Irregular Expenditure awaiting condonation	-	-

During 2009/10 the Auditor General identified expenditure deemed irregular of R2 161,000. In May 2008 the INSETA Board approved the recruitment of Regional Advisors which recruitment was done in terms of its Human Resource Policy, however proper tender process had not been followed, and reasons therefore, was considered not adequately recorded and approved by the accounting authority. The expenditure was condoned by the accounting authority in the previous period.

## ***21. Critical accounting judgements and key sources of estimation uncertainty***

In the application of the SETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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***

The SETA reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period, refer note 7 and note 8 for the respective carrying values.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
for the year ended 31 March 2012

22. Financial instruments

In the course of the SETA operations it is exposed to interest rate, credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Categories of Financial Instruments

	2011/12 R'000	2010/11 R'000
<b>Financial assets</b>		
Cash and bank balances	273 658	240 176
Other receivables from exchange and non-exchange transactions	8 825	2 987
	282 483	243 163
<b>Financial liabilities</b>		
Other financial liabilities	6 646	8 295

Interest rate risk

The SETA manages its interest rate risk by effectively investing SETA surplus cash in term deposits with different financial institutions according to the SETA's investment policy.

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

### *Year ended 31 March 2012*

#### **Assets**

	Floating rate		Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in months	Total R'000
Cash	254 719	5,44%	18 939		273 658
Accounts receivable	-		8 825	12 months	8 825
Total financial assets	254 719	5,44%	27 764		282 483

#### **Liabilities**

Accounts payable	-		6 646	1 month	6 646
Total financial liabilities	-		6 646		6 646
	254 719		21 118		275 837

### *Year ended 31 March 2011*

#### **Assets**

Cash	240 069	5,85%	107		240 176
Accounts receivable	-		2 987	12 months	2 987
Total financial assets	240 069	5,85%	3 094		243 163

#### **Liabilities**

Accounts payable	-		8 295	1 month	8 295
Total financial liabilities	-		8 295		8 295
	240 069		(5 201)		234 868

### **Credit risk**

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

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of an investment policy in terms of Treasury Regulation TR 28. The SETA's exposure is continuously monitored by the executive committee.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### for the year ended 31 March 2012

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party. The SETAs concentration of credit risk is limited to the industry in which the SETA 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 other receivables from exchange and non-exchange transactions:

	2011/12		2010/11	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	8 825	(106)	2 987	(161)

### Liquidity risk

The SETA manages liquidity risk through proper management of working capital and capital expenditure. Adequate reserves and liquidity is maintained.

2011/12	Carrying Amount R'000	Contractual Cash Flows R'000	6 months or less R'000	6 - 12 months R'000	1 - 2 years R'000	More than 2 years R'000
Trade and other Payables from exchange transactions	6 646	6 646	6 604	-	22	20

2010/11	Carrying Amount R'000	Contractual Cash Flows R'000	6 months or less R'000	6 - 12 months R'000	1 - 2 years R'000	More than 2 years R'000
Trade and other Payables from exchange transactions	8 295	8 295	8 249	22	4	20

In case of short term liquidity problems, funding resources might be available in terms of the Department and National Treasury approval for borrowing requirements in the open market.

***Market risk***

The SETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the SETA is aware of.

***Fair values***

The SETA'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 instruments:

***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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**23. New accounting pronouncements**

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective. These include the following Standards and Interpretations that are applicable to the SETA and may have an impact on future financial statements.

		<i>Effective date, commencing on or after</i>
Impairment of Non-cash-generating Assets	GRAP 21	1 April 2012
Revenue from Non-exchange Transactions (Taxes and Transfers)	GRAP 23	1 April 2012
Presentation of Budget Information in Financial Statements	GRAP 24	1 April 2012
Employee Benefits	GRAP 25	1 April 2013
Financial Instruments	GRAP 104	1 April 2012
Related party disclosures	GRAP 20	Not yet Effective
Segment Reporting	GRAP 18	Not yet Effective

An entity shall apply Standards of GRAP for Annual Financial Statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the PFMA.

**GRAP 20 : Related party disclosures**

GRAP 20 : Related Party. This standard prescribes the disclosure of information relevant to draw attention to the possibility that the SETA 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.

**GRAP 21 : Impairment of Non-cash Generating Assets**

GRAP 21 : Impairment of Non-cash Generating Assets. This standard prescribes the accounting treatment for the impairment of non-cash generating assets and does not significantly differ from IPSAS 21. It is not expected that this standard will impact future disclosures.

***GRAP 23 : Revenue from Non-exchange Transactions (Taxes and Transfers)***

GRAP 23 : Revenue from Non-exchange Transactions (Taxes and Transfers).The standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions. Accounting policies have been amended to clearly distinguish between exchange and non exchange transactions. It is not expected that the initial application will significantly impact the SETA's financial statements.

***GRAP 24 : Presentation of Budget Information in financial Statements***

GRAP 24 : Presentation of Budget Information in Financial Statements.The standard prescribes the presentation of a comparison of budget and actual amounts in the financial statements of entities that are publicly accountable for the use of their funds. The presentation may be in the form of additional financial statement or additional budget columns in their financial statements. The standard becoming effective is not expected to significantly impact future disclosures since we have applied the principles outlined in GRAP 24 to inform our current disclosure.

***GRAP 25 : Employee benefits***

GRAP 25: Employee Benefits.This standard prescribes the accounting treatment for employee benefits.The changes prescribed from the current applicable standard relate mainly to the accounting requirements of defined benefit plans and as such is not expected to significantly impact the current accounting policies or disclosures.

***GRAP 104: Financial Instruments***

GRAP 104 prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to:

- simplify the recognition, measurement and disclosure of financial instruments; and
- accommodate the types of financial instruments entered into in the public sector.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

The definitions of the various categories of financial instruments in IAS 39 have been streamlined and replaced which will require us to change our accounting policy accordingly.

The following disclosures required under IAS are encouraged but not required:

- The disclosure of fair values for financial instruments.
- Certain disclosures about the use of the fair value using the three tiered hierarchy.
- A market sensitivity analysis.

The following Standards and Interpretations that have been issued but are not yet effective are not applicable to the SETA and will not have an impact on future financial statements:

		<i>Effective date, commencing on or after</i>
Impairment of Cash-generating Assets	GRAP 26	1 April 2012
Heritage Assets	GRAP 103	1 April 2012
Transfer of Function between Entities Under Common Control	GRAP 105	Not yet Effective
Transfer of Function between Entities Not Under Common Control	GRAP 106	Not yet Effective
Mergers	GRAP 107	Not yet Effective

**24. Related party transactions**

**24.1 Transactions with the controlling entity**

The executive authority of INSETA is the Department of Higher Education and Training. The department is part of the portfolio of the minister of Higher Education and Training.

There were transactions relating to revenue with the Department. (Note 2)

**24.2 Transactions with entities under common control**

By virtue of the fact that INSETA is a National Public Entity related to other entities and departments in the national sphere of government it is considered related to Telkom, Eskom, South African Airways, other SETAs and the National Skills Fund. 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 the common control of the Department, these amounts were disclosed below.

The balances at year-end included in receivables and payables are:

	2011/12 R'000		2010/11 R'000	
	Amount of the transaction*	Amount receivable / payable	Amount of the transaction	Amount receivable/ payable
Receivables				
InterSETA receivables	653	606	39	161
Fasset	207	10	14	6
MICT SETA	62	67	-	5
Bankseta	-	3	-	3
Merseta	-	1	1	1
CETA	-	-	2	-
Services seta	232	376	19	143
W&R seta	3	-	3	3
TETA	113	113		
THETA	36	36	-	-
Payables	7	16	1	10
InterSETA payables	7	7	1	1
Agri-SETA	7	7	-	-
Services seta	-	-	1	1
Other	-	9	-	9
Department of Labour	-	9	-	9
Total	646	590	38	151

\*Note that the amount of transaction includes interest and penalties transferred to or from the SETA.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2012**

**24.3 Remuneration of Key Management**

The key management personnel of the SETA 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:

	2011/12 R'000	2010/11 R'000
Aggregate remuneration	1 775	51
Number of persons	15	15

Refer to the report by the Accounting Authority for detail disclosure concerning the emoluments of members of the accounting authority.

The senior management group consists of the SETA'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:

	2011/12 R'000	2010/11 R'000
Aggregate remuneration	2 315	1 950
Number of persons	2	2

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

**25. Notes to comparison of budget and actual**

Legislation requires that the SETA annually, in September submit a budget to the Minister for approval. Any subsequent changes required to the initial budget are approved by the Accounting Authority.

### **25.1 Skills Development Levy: income from non-exchange transactions:**

Levy receipts were 2.5% higher than anticipated, The increase is mainly due to large SARS adjustments resulting in levy receipts in the current year that relate to previous scheme years. INSETA has also seen an increase in the number of new employers that joined the SETA during the period.

### **25.2 Skills Development Levy: penalties and interest from non - exchange transactions**

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.

### **25.3 Investment Income**

Investment income was higher than the budget as a result of the increased cash balances due to the delay in the receipt of the SDL information resulting in mandatory grant payments being postponed.

### **25.4 Employer grant expenses**

Employer grant expenditure is less than budget by 2% despite the levy income exceeding the budget. This is due to larger than expected SARS reversals resulting in grant expenditure relating to previous scheme years. The payout % for the previous scheme years was slightly lower than the budgeted payout %.

### **25.5 Project expenses**

Project expenditure is less than budget due to projects starting later than anticipated.

### **25.6 Administration expenses**

Administration expenses are lower than budget by 7%. This is mainly due to savings achieved in the following expenses:

<b>Description</b>	<b>Approved Budget 2011/12 R'000</b>	<b>Actual 2011/12 R'000</b>	<b>Amount below budget 2011/12 R'000</b>
Advertising, marketing and promotions	1 415	1 114	301
Travel and subsistence	862	523	339
Cost of employment	11 665	11 359	306
Printing	202	55	147

# the board

*From left to right:*

1. Mr Comfort Duma
2. Ms Vanita Harrypersadh
3. Ms Gizelle Conradie
4. Prof Andre Keet
5. Ms Anne-Marie D'Alton
6. Mr Mzimkulu Msiwa (Chairperson of the Board)
7. Ms Margie Naidoo
8. Mr William Seya
9. Ms Shantha Padayachee
10. Mr Moses Machai
11. Mr Thabit Gool
12. Mr Jay Ramsunder
13. Mr Bryan McKay
14. Mr Barry Scott
15. Mr Rama Govenden
16. Dr Gerrit Sandrock (Chairperson of the Audit Committee)





# the team

## office of the CEO



From left to right:  
Ella Matshikiza, Tshepo Mabika,  
Sandra Dunn, Sibulele Tena,  
Sharon Snell, Errol Hanreck  
and Kim Pretorius

## learnership division



From left to right:  
Tumi Peele, Lavern Ogle and  
Tsabuki Makou

## project office



From left to right:  
Olebogeng Tsitsi, Bonginkosi  
Mthombeni, Zibuyile Nkabinde,  
Glen Edwards and Busi  
Budulwayo

## skills development division



The Skills Development team, Ernest Kaplan, Hastings Ngobeni, Nkhutliseng Mlangeni, Adeline Singh and Itumeleng Motaung pose with some of INSETA stakeholders.

From left to right:  
Bonginkosi Malinga, Lebo  
Phaleng, Jabu Mabaso, Tebogo  
Maphala, Nonhlanhla Nkabinde  
and Zodwa Motloun

From left to right: Thilivhali Netshiongolwe, Ouma Mmethi Neesha Naidoo, Nadia Traut, Michelle van der Merwe, William Fisher and Unathi Jakalase

## ET&A division



## corporate services division



# organogram

Chief Executive Officer  
Sandra Dunn

Executive Office

PA to CEO  
Ella Matshikiza

Chief Operations Officer  
Sharon Snell

Human Resources  
Management

Skills Planning

ETQA/QCTO

Learning Division

Project Office

PA to COO  
Enrol Hanreck

PR & Marketing  
Officer  
Vacant

Corporate  
Service Manager  
Vacant

HR Manager  
Sibulele Tena

Skills Planning  
Manager  
Adeline Singh

ETQA Manager  
Neesha Naidoo

Learnership Manager  
Turnisang Peele

IPO Manager  
Karyn Pieterse

FAIS Manager  
Glen Edwards

Marketing  
Administrator  
Tshepo Mabika

SCM Specialist  
(x2)  
Vacant

HR Administrator  
Kim Pretorius

Skills Research  
Specialist  
Hastings Ngobeni

Secretary  
Ouma Mmethi

Specialist  
Tsabuki Makou

Project Specialist  
Bonginkosi Mthombeni

Junior Specialist  
Lerato Mpatane

Bursary  
Consultants  
Tebogo Maphala &  
Nomonde Mandla

SCM  
Administrator  
Vacant

Skills Junior Specialist  
Itumeleng Motaung

QCTO Specialist  
Nadia Traut

Junior Specialist  
Vuyo Diniso

Project Admin  
Olebogeng Tsitsi

Bursary Admin  
Vacant

Office  
Administrator  
Lebogang Phaleng

Skills Development  
Administrators (x2)  
Ernst Kaplan  
Vacant

ETQA Specialists  
Michele van der  
Merwe &  
Unathi Jakalse

Learnerships  
Administrator  
Internships  
Lavem Ogle

Bursary Interns  
Zibuyile Nkabinde  
& Busisiwe  
Budulwayo

INSETA  
Receptionist  
Zodwa Motloung

INSETA  
Housekeeper  
Jabu Mabaso

ETQA Junior  
Specialist  
William Fisher

Learnerships  
Administrator  
Rosa Sephuma

ETQA Data Admin  
Thilivhali  
Netshiongolwe

ETQA Admin  
Vacant

# performance report

## Introduction

INSETA has identified five key strategic programmes that aim to deliver on the strategic outcome oriented goals. Below table represents a high-level summary of the programmes, strategic objective titles and performance indicators that support the NSDS III aligned Strategic Outcome Oriented Goals.

No	Strategic outcome oriented goal	NSDS III indicator	Programmes	Strategic objective title	Performance Indicator (3 Year period)	Target for Year 12	Actual Performance Year 12	Comments (Where a deviation is noted)
GOAL 1	A credible institutional mechanism for skills planning	4.1	Research and Benchmarking	1.Five year SSP	Approved SSP	Approved SSP	INSETA SSP received approval	None
				2.Research agenda	Board approved and implemented Research Agenda	Approved Research agenda	The research agenda plan is not yet approved	Delays in approval of SSP
GOAL 2	Effective established career and vocational guidance channels	4.8	Youth Education and Development	Career guidance and development	Career guides available in all nine provinces and rural and remote areas	Career guides available in all nine provinces	Career Guidance was provided to 176 schools in 7 provinces during career guidance exhibition in both urban and rural areas	The Northern Cape and Mpumalanga Province was not covered and it will be done in the first quarter of the new year
GOAL 3	Increased access to Occupationally directed programmes	4.2	Youth Education and Development	Scarce and critical tertiary qualifications	240 youth supported to gain business and systems analyst qualifications	40 youth supported to gain business and systems analyst qualifications	40 unemployed graduate interns started and 36 completed	INSETA has partners with Capaciti 1000 to deliver Bursaries to unemployed graduates to receive theoretical and practical training in Business and Systems analyst training
					120 youth supported to gain actuarial qualifications	40 youth supported to gain actuarial qualifications	64 actuarial science learners started and of these 55 completed the full year of study	INSETA has a partnership with South African Actuarial Development Programme where top learners are recruited into the programme and offered actuarial Bursaries and mentorship.

No	Strategic outcome oriented goal	NSDS III indicator	Programmes	Strategic objective title	Performance Indicator (3 year period)	Target for Year 12	Actual Performance Year 12	Comments (Where a deviation is noted)
GOAL 3 (continued)				Workplace practical experience and skills	2500 youth assisted to gain practical workplace experience and skills	500 youth assisted to gain practical workplace experience and skills	935 unemployed youth started new learning programmes and 1024 completed	These are completed learnerships and Internships which were funded by INSETA for unemployed learners. The figure is inclusive of the figure reported under 4.2
GOAL 4	Better use of workplace-based skills development	4.5	Scarce and Critical Skills	1. Identified scarce and critical skills	Top 5 Scarce and critical skills identified and reported in SSP	Updated SSP reflecting top 5 scarce and critical skills	Updated SSP reflecting top 5 scarce and critical skills	
				2. Develop and implement critical skills interventions	3000 Employed people supported to achieve qualifications identified as scarce or critical	500 employed people supported to achieve qualifications identified as scarce or critical	1197 workers started new learning programmes and 3644 were certificated in the year	Employed Learnerships Bursaries and Skills Programmes
GOAL 5	Training and support provided to Sector Co-operatives, Small Enterprises and NGO's	4.6	Small and Micro Enterprise Development	Support Small and Micro enterprises including Co-operatives, NGO's and CBO's	4000 Small and Micro including Co-operatives, NGO's and CBO's supported in skills development initiatives	500 Small and Micro including Co-operatives, NGO's and CBO's supported in skills development initiatives	791 enterprises supported of which 755 were small and micro; 36 Burial Society Co-operatives and 1 was an NGO	Small and Micro enterprises primarily received support with FAIS seminar training and provision of learning material for FAIS RE Exam. Burial Societies were supported from all provinces to attend the Burial Society Indaba. 36 Burial Societies received co-operative support training.

No	Strategic outcome oriented goal	NSDS III indicator	Programmes	Strategic objective title	Performance Indicator (3Year period)	Target for Year 12	Actual Performance Year 12	Comments (Where a deviation is noted)
GOAL 6	Organisational Effectiveness	N/A	Operational Performance	1. Corporate governance	Unqualified audits and compliance with legislation	Unqualified audits and compliance with legislation	Unqualified Audit received and INSETA complied with legislation	
				2. Quality Management System	Implemented quality Management System	Developed Quality Management System	Developed Quality Management System	A review process has started on the existing QMS in line with SAQA recommendations and best practises identified by internal audit
				3. Human Capital best practice	1. HR Policies and Remuneration will be benchmarked annually	Review and update HR policy of required	The HR policy was reviewed, updated and approved by Board	none
					2. An effective talent management model will be implemented	Develop talent management model	Develop talent management model	The model is based on performance and recognition of employees who perform well
					3. Benchmarked salaries	Benchmark salaries	Benchmarking salary exercise was limited to bringing staff benefits in line with similar organisations	INSETA introduced pension and medical aid benefits to align with the benefits offered in other SETAs and the financial sector; No other benchmarking was required.
				4. Project Management best practice	All projects deliver within the time, cost and quality standards	All overdue projects are attended to and brought in line	All overdue projects were attended to and brought in line	

# our staff

	<b>Name</b>	<b>Designation</b>	<b>Gender</b>	<b>Race</b>	<b>Disability</b>	<b>P/FTC/I</b>
1	Adeline Singh	Manager -Skills Development	Female	Indian	No	P
2	Bonginkosi Mthombeni	Specialist – Projects	Male	African	No	P
3	Busisiwe Budulwayo	Intern – Bursaries	Female	African	No	Intern
4	Chono Khorommbi	Administrator – Bursaries	Female	African	No	FTC
5	Ella Matshikiza	Personal Assistant to the Chief Executive Officer	Female	African	No	P
6	Errol Hanreck	Personal Assistant to the Chief Operating Officer	Male	White	Yes	P
7	Ernest Kaplan	Administrator – Skills Development	Male	White	No	P
8	Glen Edwards	Manager -FAIS	Male	White	No	P
9	Hastings Ngobeni	Specialist – Research Skills Development	Male	African	No	P
10	Itumeleng Motaung	Junior Specialist - Skills Development	Female	African	No	P
11	Jabu Mabaso	Housekeeper	Female	African	No	P
12	Karyn Pieterse	Manager – Office Projects	Female	White	No	P
13	Kim Pretorius	Administrator – Human Resources	Female	White	No	P
14	Lavern Ogle	Junior Administrator – Learnership	Female	Coloured	No	P
15	Lebogang Phaleng	Administrator – SCM and Finance	Female	African	No	P
16	Lerato Mpatane	Junior Specialist - FAIS	Female	African	No	P
17	Michelle van der Merwe	Specialist Consultant - ETQA	Female	White	No	P
18	Nadia Traut	Specialist – QCTO	Female	Coloured	No	FTC
19	Neesha Naidoo	Manager - ETQA	Female	Indian	No	P
20	Nkutliseng Mlangeni	SMME Project Administrator	Female	African	No	FTC
21	Nomonde Mandla	Bursar	Female	African	No	P
22	Olebogeng Tsitsi	Administrator - Projects	Female	African	No	P
23	Ouma Mmethi	Secretary - ETQA	Female	African	No	P
24	Rosa Sephuma	Administrator – Learnership	Female	African	No	P
25	Sandra Dunn	Chief Executive Officer	Female	Coloured	No	P
26	Sebolelo Malebye	Administrator – PR and Marketing	Female	African	No	FTC
27	Sharon Snell	Chief Operating Officer	Female	Coloured	No	P
28	Sibulele Tena	Manager – HR	Male	African	No	P
29	Tebogo Maphala	Bursar	Female	African	No	P
30	Thilivhali Netshiongolwe	Data Administrator – ETQA	Female	African	No	FTC

	Name	Designation	Gender	Race	Disability	P/FTC/I
31	Tsabuki Makou	Specialist - Learnership	Male	African	No	P
32	Tshepo Mabika	Administrator – PR and Marketing	Male	African	No	P
33	Tumisang Peele	Manager - Learnership	Female	African	No	P
34	Unathi Jakalase	Specialist Consultant - ETQA	Female	African	No	P
35	Vuyokazi Diniso	Junior Specialist -Learnership	Female	African	No	P
36	William Fisher	Junior Specialist - ETQA	Male	Coloured	No	P
37	Zibuyile Nkabinde	Intern – Bursaries	Female	African	No	Intern
38	Zodwa Motloun	Receptionist	Female	African	No	P

(P) Permanent    (FTC) Fixed Term Contract    (I) Intern

## inseta's standards industrial classification codes

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)

# glossary

<b>ABET</b>	Adult Based Education and Training
<b>ATR</b>	Annual Training Report
<b>BEE</b>	Black Economic Empowerment
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>COO</b>	Chief Operations Officer
<b>DHET</b>	Department of Higher Education and Training
<b>ETQA</b>	Education and Training Quality Assurance
<b>FAIS</b>	Financial Advisory and Intermediary Services
<b>FET</b>	Further Education and Training
<b>FSB</b>	Financial Services Board
<b>GAAP</b>	Generally Accepted Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HET</b>	Higher Education and Training
<b>IISA</b>	Insurance Institute of South Africa
<b>INSETA</b>	Insurance Sector Education and Training Authority
<b>ISOE</b>	Institute of Sectoral and Occupational Excellence
<b>IT</b>	Information Technology
<b>NLRD</b>	National Learner Record Database
<b>NQF</b>	National Qualifications Framework
<b>NSDS</b>	National Skills Development Strategy
<b>NSF</b>	National Skills Fund
<b>PFMA</b>	Public Finance Management Act
<b>QCTO</b>	Quality Council for Trade and Occupations
<b>RE</b>	Regulatory Examinations
<b>SAADP</b>	South African Actuaries Development Programme
<b>SAQA</b>	South African Qualifications Authority
<b>SARS</b>	South African Revenue Services
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SDF</b>	Skills Development Facilitators
<b>SETA</b>	Sector Education and Training Authority
<b>SLA</b>	Service Level Agreement
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>SSP</b>	Sector Skills Plan
<b>WBE</b>	Work-based Experience
<b>WSP</b>	Workplace Skills Plan

## smme learnerships



Small Brokerages throughout the country eagerly snatched up 140 unemployed learners. The learners will be hosted in the brokerages for a year where they will obtain valuable workplace skills and achieve an NQF level 4 insurance qualification. Vodacom came on board and sponsored all the learners with a WebBox, a portable device that allows for the learners to access the internet through their television and also one year worth of free data.



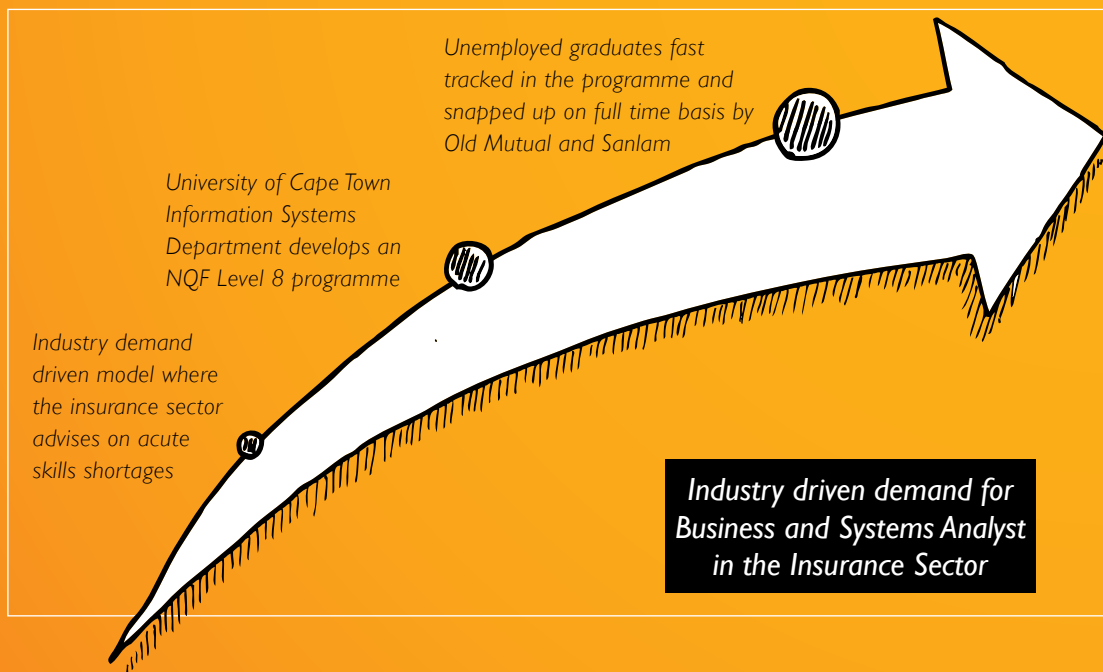
In response to government's concerns about the lack of qualified IT business analysts in the South African workforce, a new initiative is targeting this potentially damaging gap – equipping young unemployed graduates in the ICT sector with much-needed skills, and contributing to the creation of up to 5 000 jobs.

South Africa has a critical shortage of graduate-level IT skills. CAPACITi 1000 is a training, internship and intern support programme of the Cape IT Initiative (a non-profit organisation established in 1998). It was created to fast-track non-IT graduates into IT careers in critical short supply, as well as to address systemic challenges that restrict the supply of high quality, employable, “industry ready” Information Systems, Computer Science, Informatics and Software Engineering graduates.

This is an amazing success story which is linked to a number of government key priorities and actually operationalised some of the strategic thinking in NSDS III.

## capaciti 1000

Top Learner Keegan Steyn with Sandra Dunn INSETA CEO at the CAPACITi 1000 graduation in Cape Town. Keegan is now employed as a Business Analyst at Old Mutual





## INDUSTRY DEMAND DRIVEN MODEL

It is an industry-demand driven model – Industry advised what critical skills it needs and the programme was created to meet these needs. Increased industry competitiveness as a result of the development of Innovation Professionals (as opposed to “certified professionals”), leading to less offshoring from jobs from the Western Cape.

### *Educators and curriculum developers*

The University of Cape Town, Information Systems Department created a new Post-

Graduate Diploma at NQF Level 8, for the CapaCITi 1000 programme Inc

### *Increased graduate employability*

The key focus is on producing more graduate level IT talent, by providing employment opportunities to unemployed graduates to fast-track themselves into IT professionals. Unemployed graduates given a fast track to employment in a profession in critical short supply. Addresses critical skills shortages undermining competitiveness. Old Mutual and Sanlam have snapped up all the graduates placed with them.



## creating seamless career pathways



*Charl Coetzee - Deputy CEO of Northlink FET College with Craig Wyborn (top performing student) who is employed at Alexander Forbes and Sandra Dunn, CEO of INSETA.*

In a first for South Africa's financial planning field, the 2011 FETI/HETI pilot class has graduated, with several using the qualification to enter university and organisers promising to expand the programme in 2013.

The FETI/HETI initiative – a collaboration between the Further Education and Training Institute (FETI), the Financial Planning Institute (FPI), the Insurance Sector Education and Training Authority (INSETA) and the University of the Western Cape (UWC) – aimed to offer "seamless articulation" between Further Education and Training (FET) and Higher Education and Training (HET) institutes, increasing the number of qualified professional financial planners working in South Africa.

## Green Paper for post school education and training

- The Green Paper provides a vision for a single, coherent, differentiated and highly articulated post- school education and training system.
- The central problem identified in the Green Paper is a lack of coherence within the post schooling system and between the post schooling system and the labour market.
- In South Africa the post schooling system does not function as a coherent role and provision is fragmented.
- It is difficult for students to move seamlessly between FET Colleges and Universities and between education institutions and the world of work
- The paper calls for closer working relationships between our education institutions and that they support each other. SETAs must fund and support provision in Public FET Colleges and Universities. The SETAs have a crucial role in building relationships between education and the labour market
- Articulation with the labour market has two elements. Firstly it is about matching the supply of and demand for skills and secondly, it is about developing better links between education institutions and industry to create further opportunities for apprenticeships, learnerships, work experience and training.
- The Green Paper also calls for capacity building of FET Colleges and this will entail amongst others building strong partnerships between the colleges and employers to ensure that the colleges are offering relevant occupational and vocational learning programmes that make graduates employable.
- The vision for 2030 is to have 23% of post school learners in universities (1 500 000) and 60% of them in FET Colleges and other institutions (4 000 000).

## Participating FET Colleges



## micro insurance



Deputy Minister of the dti, Ms Elizabeth Thabethe gave the key note address at the Burial Society Indaba 2011 held in Turffontein.

*motho ke motho ka batho*

"A person is a person because of others"

## promoting insurance as a career



INSETA provided career guidance to advise learners throughout the country. INSETA also participated in INMAG which is an industry career guidance publication which promotes the insurance sector as a career of choice.



# highlights

## developing scarce and critical skills

Mr Cedric Masondo (SASRIA MD), Ms Adeline Singh (INSETA SD Manager), Mr Cyril Ramaphosa (SAADP Board Chairman), Ms Sharon Snell (INSETA COO) and Mr Themba Gamedze (SAADP Non-Executive Director) at the SAADP Alumni function held last year.



Cyril Ramaphosa, recognises top performing actuarial students.

# *national disability awards 2011*



The National Disability Awards 2011 held in Johannesburg to coincide with International Day of Persons with Disabilities on 3 December, saw the announcement of winners in five categories, and sent a clear message that people with disabilities are making a major contribution to the South African workplace and economy.

The main objective of the third annual Awards, was to honour and raise the profile of workers with disabilities in all sectors who are making a remarkable difference in the workplace, as well as individuals and organisations supporting the advancement of people with disabilities.



Motivated by her employer ETANA's values of 'giving' and 'making it happen' young Karabo decided she was going to also play her part. Fresh into her learnership at ETANA she has been promoting People with Disabilities in her workplace and is heavily involved in fundraising activities for Helene Franz Special School. The winner of National Disability Young Leader Award 2011 is Karabo Nguyuza of ETANA.

## joint winners



### NETCARE

With a R10 000 finder's fee for their employees who refer a person with disability who gets employed, a serious message is made. Netcare has set a 5 year target to increase on a year on year basis the number of disabled person that they employ. Fellow employees are sensitised and motivated to help the company find and retain disabled employees. This has resulted in an increase of 48% in disabled employees. They were also involved in taking 7 disabled persons who were never employed before and giving them a life changing experience through training and thereafter permanent employment.



Company Award Joint Winners:  
Netcare (left) and Sanlam (right)

### SANLAM LIMITED

The judges have awarded this award jointly to two companies who have put in place some incredible programmes to make the workplace accessible, to sensitise their staff members and gone out on a public drive to recruit more learners. Of note, SANLAM implemented in the year a learnership for Financial Services Administration with 17 disabled learners. Because they adapted the learning contents and used RPL to facilitate access, we saw an above average performances from disabled learners on these programmes. 100% of the learners achieved their qualification and 80% of them are now permanently employed at SANLAM.



### **Insurance sector sets an example**

Key note speaker, Deputy Minister of Women Children and Persons with Disabilities, Ms Hendrietta Bogopane-Zulu, said that INSETA has set an amazing example by holding the awards; "We need to elevate this awareness to higher levels. Going forward, the government must partner with INSETA so that we can inform programmes – because it's one thing to implement programmes, but another altogether to ensure they have impact."





**inseta**

INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY

***Physical Address***

Ground Floor, Northwing, Oakhurst Building, 11 St  
Andrews Road, Parktown, Johannesburg

***Postal Address***

P O Box 32035, Braamfontein, 2017

***Telephone***

(011) 544 2000

INSETA call centre

086 113 0013

Facsimile

011 484 0862

[info@inseta.org.za](mailto:info@inseta.org.za)

[www.inseta.org.za](http://www.inseta.org.za)

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