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INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY

ANNUAL **REPORT**

2019/20

Disruption does not carry the negative connotations it once did. Today's disruption denotes the excitement of challenge; an invitation to think more innovatively and work more smartly; the promise of being part of a technological era almost unimaginable a mere decade ago.

The world is fully immersed in the fourth industrial revolution (4IR), with its artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. Careers are in the midst of a metamorphosis, with yesterday's job descriptions being consigned to the pages of history and tomorrow's bringing to the fore unexplored talent.

Perhaps the only constant in this redefined reality is the need for skills – new and re-engineered skills for a rapidly advancing world. Just as it was when South Africa's post-democracy skills revolution was launched in 2000, INSETA is ready … this time for the true skills evolution.

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ANNUAL **REPORT**

2019/20

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY

THE 4TH INDUSTRIAL REVOLUTION

Dr Bonginkosi Emmanuel Nzimande
Minister of Higher Education, Science and Technology

Sihle Joel Ngubane
INSETA Chairperson

Nadia Starr
INSETA Chief Executive Officer

“

HONOURABLE MINISTER

It is with pleasure that we present to you the annual report of the Insurance Sector Education and Training Authority (INSETA) for the period 1 April 2019 to 31 March 2020.

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1. GENERAL INFORMATION

REGISTERED NAME: Insurance Sector Education and Training Authority
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POSTAL ADDRESS: PO Box 32035, Braamfontein, 2017
TELEPHONE NUMBER: 011 381 8900
WEBSITE ADDRESS: www.inseta.org.za
EXTERNAL AUDITORS: Auditor-General of South Africa
INTERNAL AUDITORS: Nexia SAB&T
BANKERS: Nedbank
RP 191/2020 **ISBN No** 978-0-621-48309-0

LIST OF ABBREVIATIONS AND ACRONYMS

4IR	Fourth industrial revolution
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DHET	Department of Higher Education and Training
EISA	External integrated summative assessment
INSETA	Insurance Sector Education and Training Authority
ETQA	Education and Training Quality Assurance
FAIS	Financial Advisory and Intermediary Services
HRDSA	Human Resource Development Strategy for South Africa
INSETA	Insurance Sector Education and Training Authority
ICT	Information and communication technology
IT	Information technology
NDP	National Development Plan
NGO	Non-governmental organisation
NGP	New Growth Path
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
PFMA	Public Finance Management Act
PIVOTAL	Professional, vocational, technical and academic learning
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SARS	South African Revenue Service
SCM	Supply chain management
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SDP	Skills development provider
SETA	Sector Education and Training Authority
SLA	Service-level agreement
SME	Small and micro enterprise
SMME	Small, medium and micro enterprise
SSP	Sector Skills Plan
TVET	Technical and vocational education and training
WIL	Work-integrated learning
WSP	Workplace Skills Plan

FOREWORD
BY THE CHAIRMAN

As the newly appointed chairperson of the Insurance Sector Education and Training Authority (INSETA), I am pleased to present the 2019/2020 annual report.

SJ Ngubane
Independent Chairperson of the INSETA Board

The report will provide you with a concise and transparent overview of our business activities, and details of the impact of our performance against legislative requirements, standards and best practices in the skills development environment.

As with all participants in every economic sector, the Sector Education and Training Authorities (SETAs) find themselves in the midst of an era of significant technological change. Signs of the fourth industrial revolution (4IR) are omnipresent, demanding innovation in every aspect of business, from the use of digital technology to the deployment of suitably prepared human resources.

The SETAs' importance in this scenario cannot be understated, as skills remain the key to productivity, competitiveness and economic growth.

Ever mindful of the implications of 4IR, INSETA continued to devote much time and effort to all-important research that forms the heart of its guiding document, the Sector Skills Plan (SSP), while concentrating its energies on meeting its targets and serving its stakeholders.

We responded to the call for greater efficiencies in the INSETA discretionary grant funding model, to ensure that it provides maximum return on investment for our stakeholders. We continued to strengthen our engagements with stakeholders, which provided us with important feedback that further guides our partnerships. We will build on this in the coming year to ensure that our skills development interventions are meeting stakeholder expectations.

We remain focused on delivering on our mandate as a SETA, which is to facilitate skills development in the insurance sector and the broader South African economy. In our quest to consolidate our contribution to the country's skills development landscape, comply with national legislation, improve skills development delivery and increase the number of graduates in the insurance sector, INSETA implemented a number of strategic and innovative projects, which yielded catalytic outcomes for the sector explored further in this report.

GOVERNANCE

The role of the newly constituted INSETA Board is to provide oversight and leadership, accompanied by continued and improved levels of corporate governance. The National Skills Development Plan (NSDP) and the new SETA landscape ushered in on 1 April 2020 will bring about changes in leadership and governance in skills development. Importantly, SETAs will remain authoritative voices of the labour market and experts in their respective sectors. For the country to achieve high levels of economic growth and address unemployment, poverty and inequality and to achieve the vision set in the NSDP of an educated, skilled and capable workforce for South Africa, social partners must work together to invest in skills development. The Board is committed to promoting a culture of high performance and accountability to ensure that INSETA delivers according to the imperatives outlined in the NSDP.

We will continue to apply the knowledge and expertise, collectively as the Board and management, to address transversal and sector-specific education and training needs. This will be done through the implementation of internships, learnerships and skills development programmes addressing scarce and critical skills, among others.

STRATEGY AND OPERATIONAL PERFORMANCE

During the period under review, INSETA partnered with many organisations, training institutions – both public and private technical and vocational education and training (TVET) and higher education and training institutions – government departments, industry and community stakeholders to build a truly integrated, high-quality post-school education and training platform that contributes to industry productivity and growth. We are mindful of the magnitude of our role in making a meaningful contribution to building a skilled and capable workforce. We are also cognisant of the need to ensure that our funding decisions are informed by the desire to make a lasting and substantial impact on the sustainability and growth of our economic sub-sectors.

During 2019/2020, the Board enhanced its track record of sound corporate governance by providing strategic leadership to the organisation as required by the Public Finance Management Act (PFMA) 1999, other relevant legislation and codes of good practice.

It gives me immense pleasure to report that INSETA achieved 50 out of 61 performance indicators, representing an achievement of 82% against the Annual Performance Plan (APP). This performance demonstrates INSETA's positive contribution to the overarching government programmes – the Human Resource Development Strategy for South Africa (HRDSA), the National Development Plan (NDP), the Industrial Policy Action Plan, the Medium-Term Strategic Framework and, in particular, sector development plans, which are among the key development priorities of the SETA mandate. INSETA will strive to achieve the NSDP vision that addresses key national transformational imperatives, by focusing on gender and youth transformation, rural and township development, and the poverty alleviation and unemployment that continuously plague our fledgling democracy.

PROMOTION OF HIGHER EDUCATION AND TRAINING INSTITUTIONS

In advancing the vision and objectives of the post–school education and training system, we are proud to have established in this financial year strategic collaborations and partnerships with a number of public vocational and higher education and training institutions, including TVET colleges, universities and universities of technology. INSETA, as part of the Department of Higher Education and Training (DHET)-SETA Directorate, is providing excellent leadership and guidance in establishing a best practice model for the implementation of high-quality skills through our public TVET system and for national rollout to all TVET colleges in South Africa. We currently support 43 TVET colleges and are represented in all provinces but Northern Cape. Work will continue to bring that province on board.

OUTLOOK

INSETA fully supports the new dawn of the NSDP and looks forward to contributing to its goals to ensure that South Africa has adequate, appropriate and high-quality skills that contribute to economic growth, employment creation and social development. The Board will continuously review and update INSETA's corporate governance approach, procedures and policies to reflect an evolving business environment and organisation aligned to international best practice.

INSETA views stronger relationships with partners and international benchmarking as vital to remaining ahead of its game. This is an opportune time for the SETA to think of skills for the development and professionalisation of the sector, ensuring that training can leverage off the considerable resources available globally as South Africa prepares for the future. International research and its application ensure that the insurance sector remains at the forefront of training and are critical in shifting the current model of training. As we learn, it will be important for all to share new benchmarks and their application on formal platforms.

Stronger relationships are required between training authorities and employers and these should be looking at strategic direction for 12 months, five years and more as we work together to meet the challenges facing the economic community of which we are all part. In tandem with this, of course, should be active partnerships among large employers; small, medium and micro enterprises (SMMEs) and an authority such as INSETA. Large companies should let us know which SMMEs they are working with and have empowered so that there can be an alignment of skills initiatives to ensure that workers are appropriately and relevantly trained. In this way, SMMEs can be supported to grow rapidly, employ more people and become an integral part of the economic growth chain.

We need to build the competency of TVET college lecturers, researchers and their faculties, so that insurance programmes become an integral part of TVET college training. I say this against the challenge of the high rate of unemployment among the youth of our country. It is a major problem and hits home hardest when one trains and qualifies brilliant young people only to see them unable to find work. INSETA is committed to providing leadership and looking at new skills and placement opportunities going forward.

APPRECIATION

The year has brought a reminder that business is never static. Conditions change and to survive and flourish, we must adapt. The year has proved that INSETA is a resilient, resourceful and resolute organisation that can hold its own under any circumstances. The entire team – Board, management and staff – came together to ensure that not a minute of skills development energy was wasted, but that each success was further built on for the sake of beneficiaries and the public, whom we live to serve. The INSETA team – under the leadership of the INSETA chief executive officer (CEO), Nadia Starr, who has successfully steered the SETA through difficult times – worked tirelessly to produce the robust results reflected in this report.

Our success as the INSETA Board lies in the collective commitment of the members of the Board, the CEO and staff of the SETA, and is directly related to their integrity, their accountability, their efficiency and their effectiveness. I thank you all for the roles you played during the reporting period and look forward to your continued cooperation as we reposition our SETA to take on the new performance heights and challenges presented by the NSDP. Our appreciation also goes to the previous INSETA Board members and Board sub-committee members who diligently provided strategic direction to assist INSETA to fulfil its mandate. We acknowledge them specifically for their wise counsel, corporate experience and pragmatic approach to some very tough challenges that had a direct impact on INSETA's success.

I urge INSETA stakeholders to attend our annual general meeting towards the end of the year. It will be a wonderful opportunity to engage with other INSETA stakeholders and the INSETA Board as the sector charters the continuation of the journey to raise the bar in skills development.

"INSETA is committed to providing leadership and looking at new skills and placement opportunities going forward."

SJ Ngubane | *Independent Chairperson of the INSETA Board*

CHIEF EXECUTIVE OFFICER'S REVIEW

Looking back at the period under review, I can say with confidence that we have continued to transform the destinies of the poor, the unemployed, workers, youth, women and the geographically and socio-economically marginalised.

Nadia Starr
Chief Executive Officer INSETA, 31 July 2020

Skills development can and should make a material difference to people's lives and I believe that INSETA has brought meaningful and tangible differences to the lives of its beneficiaries and their communities as it strives to address the triple challenges of unemployment, poverty and inequality.

INSETA's work is centred around the relationships and partnerships it has cultivated over the years. These partnerships have opened post-school education and training opportunities to learners, and have opened the doors of employment for previously unemployed people. This is evident in the outcomes and impact of our projects and is reflected in the performance information contained in this report. INSETA's contribution to skills development is comprehensive, spanning the development of both emerging skills for the sector and skills for the existing workforce. We were encouraged by active engagement and constructive input on the development of a tailored and robust strategy for the support of micro and small enterprises. Equally pleasing were the celebrations through graduations and certification ceremonies for our various programmes. Moments such as these have assured us that the SETA and its partners are making a huge difference in the lives of many South Africans. As part of our commitment to our mandated strategic objectives, our strategic planning sessions with Board members and my engagements with constituent stakeholders resulted in the development of a professional, well-researched and innovative five-year Strategic Plan, APP and SSP.

FINANCIAL REVIEW

Levies for the year under review were 6.86% higher than in the previous financial year. Revenue from penalties and interest increased by 122% compared to 2018/2019, indicating regression in compliance by levy payers in the sector. A deficit of R20 378 is reported for the 2019/2020 financial year, the result of expenditure against prior-year surplus to honour significant financial commitments to the sector reported in the previous financial year.

Administration, mandatory and discretionary grant spending increased compared to the previous financial year. This is attributed largely to increased revenue, which necessitated greater mandatory grant disbursements and a high value of discretionary project commitments brought forward from last year.

INSETA continues to spend within the prescripts of the levy-funding regulations. The Auditor-General audited our financial statements and we have achieved an unqualified audit with findings.

CONCLUSION

INSETA is investigating ways to drive innovative skills development interventions to develop the sector's people, the ultimate goal being to promote transformation and the introduction of skills that will remain relevant in the long-term. We are vigorously pursuing and realising the promotion and facilitation of an improved skills profile for the sector's workforce, employers and the economy.

My appreciation goes to our key stakeholders, both levy paying and non-levy paying organisations, for your ongoing participation in and contribution to skills development, and for the encouragement, support and generosity with which you have welcomed me into the role of CEO. I am humbled and honoured.

Members of the outgoing Board, whose tenure ended on 31 March 2020, please accept my gratitude for the sacrifices, guidance and support, which carried us through some very trying circumstances and challenges and set the trend for the incoming Board. Please be assured that the good work of INSETA will continue as we set our sights on performing and delivering against a challenging NSDP strategy and mandate.

The successes of INSETA would not be possible without the combined dedication and hard work of all stakeholders, management and staff through unselfish commitment to the realisation of goals and objectives to improve the lives of workers and new entrants in the insurance sector. We cannot predict what lies ahead, but I know with certainty that INSETA has what it takes to remain at the forefront of skills development in South Africa, for the good of the insurance sector and the economy at large.

Finally, the team at INSETA holds the recipe to our success and I am honoured to lead individuals who are so selfless in their commitment to public service and to the achievement of our vision, mission and objectives. Thank you for your hard work and dedication, which at times see you stretched beyond the call of duty. Your commitment does not go unnoticed.

Success is so much more than merely meeting targets – it is about realising our purpose. While elements of our purpose change with trends such as 4IR, which is requiring of us a rethink of skills priorities, our overarching purpose has, and always will be, to leave our country a little better than we found it. Thank you all for believing in this goal and for moving us closer to achieving it.

"Success is so much more than merely meeting targets – it is about realising our purpose."

Nadia Starr | Chief Executive Officer INSETA, 31 July 2020

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete, accurate and is free of any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2020.

SJ Ngubane
Independent Chairperson of the INSETA Board
31 July 2020

Nadia Starr
Chief Executive Officer INSETA
31 July 2020

6. STRATEGIC OVERVIEW

VISION

Empowered to Influence and Inspire.

MISSION

Harness technology and strategic partnership in pursuit of excellence to enable relevant, inclusive and impactful skills development; and be the bridge between education and the world of work by identifying skills in demand and providing agile and appropriate responses.

VALUES

VALUE	MEANING OF THE VALUE FOR INSETA
Respect	Diversity, inclusivity and trust
Innovation	Agile and impactful solutions
Collaboration	Unity and partnerships
Accountability	Ethical conduct
Courageous leadership	Compassionate and empowering
Customer-centricity	Responsive and professional

"The digital revolution is an opportunity to build an entrepreneurial state, where government's own appetite for risk and innovation inspires large-scale entrepreneurship and unlocks economic potential."

President Cyril Ramaphosa

7. LEGISLATIVE AND OTHER MANDATES

INSETA was established in March 2000 in terms of the Skills Development Act 97 of 1998, subsequently amended in December 2008. INSETA is required to promote, facilitate and monitor education and skills development provision in the insurance and related services sector, and has been re-established until 31 March 2030 by Government Gazette notice. INSETA is a Schedule 3A public entity in terms of the Public Finance Management Act (PFMA) and must execute its mandate in accordance with the Skills Development Act (SDA), the Skills Development Levies Act (SDLA), the PFMA, the INSETA constitution and any legislation that relates to the governance of sector education and training authorities (SETAs).

The table below presents the acts and other mandate documents that direct and influence INSETA's role in skills development.

ACT/OTHER MANDATE DOCUMENTS	PURPOSE OF THE ACT/OTHER MANDATES
Insurance Sector Education and Training Authority Constitution	This constitution provides an institutional framework for the SETA to develop and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.
Skills Development Act, Act 97 of 1998 (as amended)	Provides an institutional framework to develop and implement national, sector and workplace strategies to improve the skills of the South African workforce.
Public Finance Management Act, Act 1 of 1999 (as amended)	The PFMA seeks to regulate financial management and corporate governance in national and provincial governments.
Skills Development Levies Act, Act 9 of 1999	Provides for the imposition of the skills development levy and related matters.
Financial Advisory and Intermediary Services (FAIS) Act, Act 37 of 2002	Sets out the fit-and-proper requirements for financial services providers. New requirements include compulsory regulatory examinations (REs) with strict timeframes laid down by the Financial Sector Conduct Authority (FSCA).
National Qualifications Framework Act, Act 67 of 2008	To provide for the National Qualifications Framework (NQF), a system for the classification, registration and publication of all national qualifications and part-qualifications.
National Skills Development Strategy III (NSDS III)	A strategy to improve the skills development system to create a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path.
National Skills Accord (NSA)	A commitment agreed to by government, business, labour and civil society organisations to promote skills development in line with the New Growth Path (NGP) strategy objective to create five million new jobs by 2020.
Sector Skills Plan (SSP)	An SSP is the research document produced by the SETA in each economic sector, using inputs from constituent employers. The SSP outlines key skills shortages and, specifically, a sector's top scarce and critical skills.
Annual Performance Plan (APP)	Contains INSETA's performance commitments and measurement framework.
Service-level agreement (SLA)	The SLA sets out the agreement between the DHET and INSETA.

8. **STRATEGIC** OUTCOME-ORIENTED GOALS

STRATEGIC OUTCOME-ORIENTED GOALS

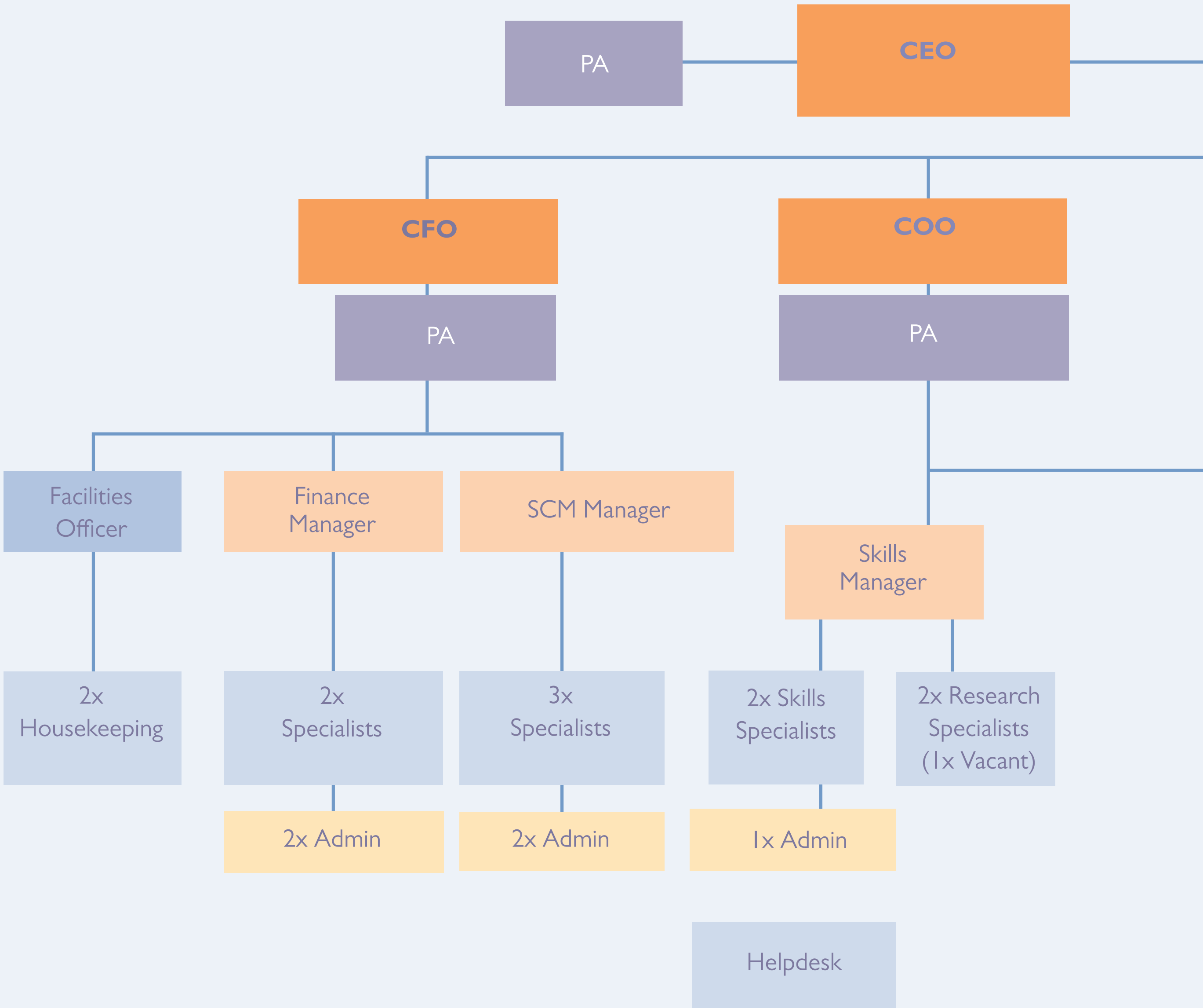
This report indicates INSETA performance under the last phase of the NSDS III dispensation. The implementation of INSETA's six strategic goals is measured through the 16 strategic objectives, which indicate what INSETA did in support of the sector. These strategic objectives give effect to the INSETA mandate and are divided into four key programme areas. The four programme areas are as follows:

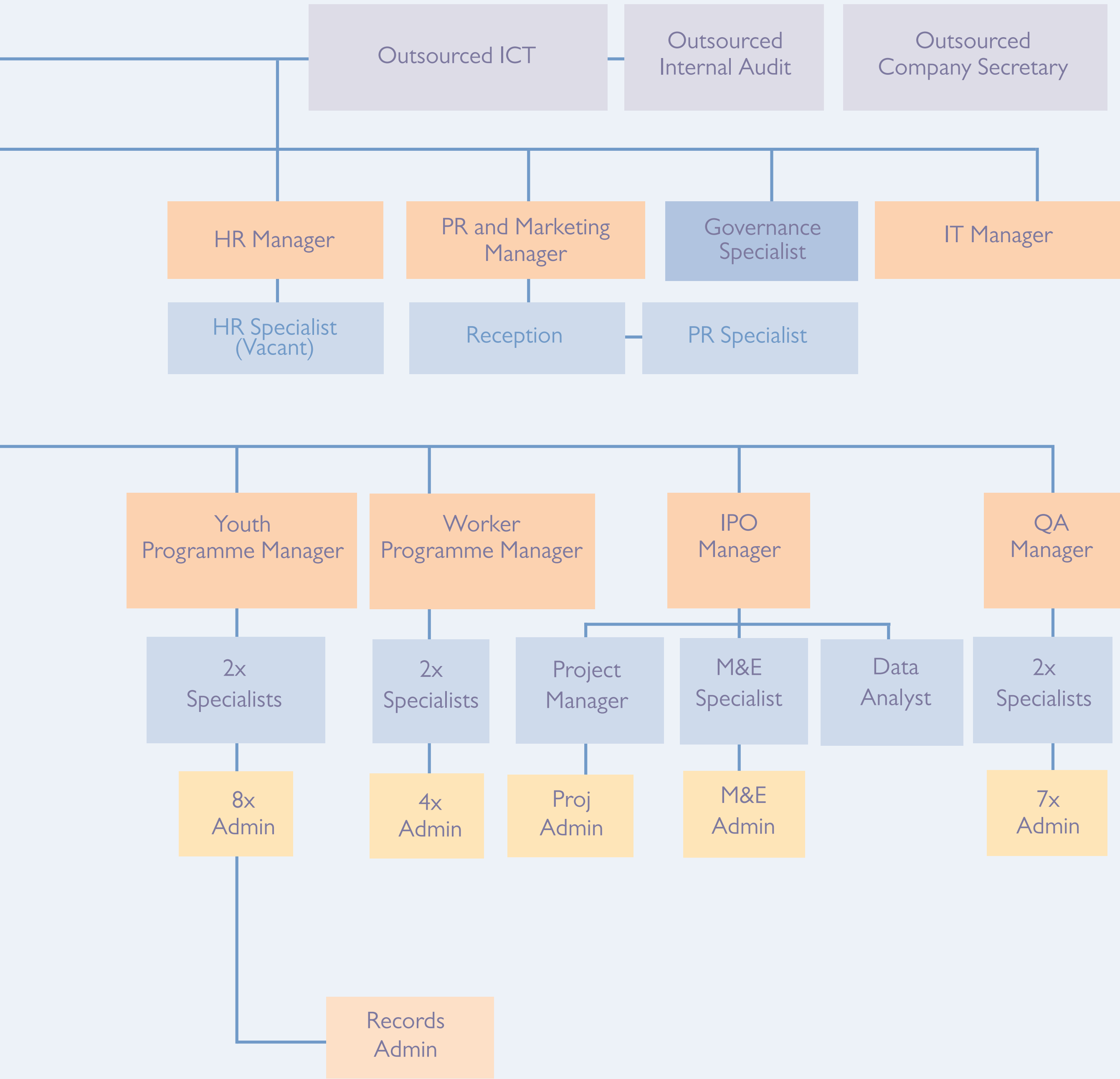
PROGRAMMES	AREA	GOALS
Programme 1	Administration	Goal 7
Programme 2	Skills planning	Goals 1 and Part 3
Programme 3	Learning programmes	Goals 2,3,4 and 5
Programme 4	Quality assurance	Goal 6

INSETA set the following strategic goals for 2019/2020:

GOAL NO.	STRATEGIC GOAL
Strategic Goal 1:	A credible institutional mechanism for skills planning in the sector.
Strategic Goal 2:	Increased access to occupationally directed programmes.
Strategic Goal 3:	Encouraging better use of workplace-based skills development.
Strategic Goal 4:	Encouraging and supporting cooperatives, small enterprises, worker-initiated, non-governmental organisation (NGO) and community training initiatives.
Strategic Goal 5:	Building career and vocational guidance.
Strategic Goal 6:	Promoting the growth of a public TVET sector college system.
Goal Statement 7:	A capable and agile organisation.

9. ORGANISATIONAL STRUCTURE




Outsourced ICT
Outsourced Internal Audit
Outsourced Company Secretary
HR Manager
PR and Marketing Manager
Governance Specialist
IT Manager
HR Specialist (Vacant)
Reception
PR Specialist
Youth Programme Manager
Worker Programme Manager
IPO Manager
QA Manager
2x Specialists
2x Specialists
Project Manager
M&E Specialist
Data Analyst
2x Specialists
8x Admin
4x Admin
Proj Admin
M&E Admin
7x Admin
Records Admin

B PERFORMANCE INFORMATION


PART
B

1. ANNUAL PERFORMANCE REPORT
(1 APRIL 2019 to 31 MARCH 2020)

The table below 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	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR
GOAL 1	A credible institutional mechanism for skills planning (NSDS III 4.1)	Skills planning	To facilitate research and its publication within the broader insurance and financial services sector	Design a research strategy for INSETA with an implementation plan for the SETA's licence period
				Establish a research centre of excellence that will incorporate bodies of knowledge from internal and external sources
				Develop a research agenda that is approved by the INSETA Board
				Publish research papers annually that will inform the INSETA Sector Skills Plan
GOAL 2	Increased access to occupationally directed programmes (NSDS III 4.2)	Learning programmes and projects	Support youth to enter learning programmes	Number of youth entering university or TVET through bursaries to obtain scarce and critical qualifications
				Number of youth entering skills programmes in industry-required skills
				Number of youth entering learnerships
				Number of rural youth on learnerships

	ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
	N/A	A research strategy and implementation plan	A research strategy and implementation plan	Target achieved
	N/A	An established research centre of excellence	2 established research centres of excellence	Additional university appointed as research centre due to additional research need and availability of funds
	N/A	A Board-approved research agenda	A Board-approved research agenda	Target achieved
	N/A	One research paper published	One research paper published	Target achieved

	1 299	900	1 335	Bursary costs vary according to programmes, allowing for funding of additional learners with allocated budget
	1 166	1 300	1 332	Target achieved
	1 492	1 300	1 390	Target achieved
	258	100	100	Target achieved

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 2			Support youth to complete learning programmes	Number of youth successfully completing bursary studies in scarce and critical skill qualifications	
				Number of youth successfully completing skills programmes in industry-required skills	
				Number of youth successfully completing learnerships	
				Number of rural youth completing learnership programmes	
			Support youth to achieve full or part qualifications on learning programmes	Number of youth receiving full or part qualifications through bursaries	
				Number of youth receiving full or part qualifications through skills programmes	
				Number of youth receiving full or part qualifications through learnerships	
				Number of rural youth receiving full or part qualifications through learnerships	

	ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
	1 096	710	780	More learners were funded to enter programmes due to varying skills programmes cost and availability of funding
	1 102	850	1 043	High number of cross-sectoral skills programmes completed within specified timeframes. The training of youth on skills programmes as TVET invigilators also increased the number of completions
	966	855	935	Target achieved
	N/A	70	72	Target achieved
	1 011	490	642	Bursary costs vary according to programmes, allowing for funding of additional learners with allocated budget
	897	598	558	Underachievement due to outstanding statement of results for 40 learners through late submission by TVET colleges
	626	597	633	Target achieved
	N/A	55	72	Centralisation of the project and increased monitoring and support of skills development providers (SDPs) resulted in all learners who completed the programme receiving their certificates. Verifications were conducted on time

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 2			Support youth with workplace-based experience through internships, nationally	Number of youth entering internship programmes	
				Number of youth completing internship programmes	
				Number of youth accepted into employment after completion of internship programmes	
			Support TVET youth with workplace-based experience through internships, nationally	Number of TVET graduates supported to access work-integrated learning (WIL)	
				TVET graduates completing workplace experience through WIL	
				Number of university graduates supported to access workplace experience through WIL	

	ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
	I 187	I 200	I 133	Some employers did not continue with final contracting of interns as was planned
	565	590	611	Target achieved
	412	405	462	High number of learners being absorbed by employers on completion of the internship programme, as most had obtained insurance-specific qualifications during learnerships in the previous year
	551	650	996	Availability of additional funding and need by employers to host TVET college learners made it possible to exceed target
	266	250	258	Target achieved
	116	50	64	Availability of additional funding and need by employers to host university graduates made it possible to exceed target

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 3	Better use of workplace-based skills development (NSDS III 4.5)	Learning programmes and projects	Support workers to enter learning programmes	Number of workers entering university or TVET through bursaries towards scarce and critical qualifications	
				Number of workers entering skills programmes in scarce and critical skills	
				Number of workers entering learnerships	
			Support professionalism of sector workers through candidacy programmes	Number of workers entering candidacy programmes	
			Support workers to complete learning programmes	Number of workers completing university or TVET through bursaries towards scarce and critical qualifications	
				Number of workers completing skills programmes in scarce and critical skills	
				Number of workers successfully completing learnerships	

	ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
	854	1 150	1 163	Target achieved
	2 945	2 950	2 410	Lower uptake of funding than that applied for and cancellation of training scheduled for mid- to end-March 2020
	1 545	1 150	1 370	More workers requiring insurance qualifications to meet employment requirements and remain employed in the sector
	65	100	100	Target achieved
	745	940	1004	Target achieved
	2 595	1 700	1 286	Lower uptake of funding than that applied for, and cancellation of training scheduled for mid- to end-March 2020
	815	795	814	Target achieved

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 3			Support workers to achieve full or part qualifications	Number of workers receiving full or part qualifications through bursaries towards scarce and critical qualifications	
				Number of workers receiving full or part qualifications through skills programmes	
				Number of workers receiving full or part qualifications through learnerships	
			Support registered workplaces to receive mandatory grant refunds	Number of large firms paid mandatory grants	
				Number of medium firms paid mandatory grants	
				Number of small firms paid mandatory grants	

ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
685	500	960	Learners who successfully completed management and leadership programmes were also reported under this target
2 595	1 230	914	Lower uptake of funding than that applied for, and cancellation of verifications scheduled for mid- to end-March 2020
579	520	538	Target achieved
107	100	102	Target achieved
84	95	129	Target achieved
440	460	540	Target achieved

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 4	Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives	Learning programmes and projects	Support small and micro enterprise (SME) workers and cooperative members through entering learning programmes	Number of small-business workers entering university or TVET through bursaries in scarce and critical skills	
				Number of small-business workers entering skills programmes	
				Number of cooperative members (burial societies) entering skills programmes	
			Support SME workers and cooperative members completing learning programmes	Number of workers successfully completing bursary studies in scarce and critical skills	
				Number of small-business workers completing skills programmes	
				Number of cooperative members (burial societies) completing skills programmes	
			Support SME workers and cooperative members to achieve full or part qualifications	Number of small-business workers receiving full or part qualifications through bursaries	
				Number of small-business workers receiving full or part qualifications through skills programmes	
				Number of cooperative members (burial societies) receiving full or part qualifications through skills programmes	
			Support small and micro brokers to access INSETA funding	Number of branches of SMEs supported to access INSETA funding	
			Support cooperatives to access INSETA funding	Number of cooperatives, including burial societies, supported to access INSETA funding	

	ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
	150	150	174	Bursary costs vary according to programmes, allowing for funding of additional learners with allocated budget
	351	750	787	Target achieved
	1 014	1 000	907	Underachievement due to INSETA programmes not being in high demand by cooperative members
	85	105	115	Target achieved
	355	490	387	Failure by SDPs to submit all required supporting documents
	925	700	780	Target achieved
	76	75	107	More learners funded to enter programmes due to varying bursary cost and availability of funding. Learners registered for management and leadership programme included in this list
	470	350	135	INSETA information workshops with the FSCA cancelled due to lockdown. These workshops were planned after procurements were delayed because of irrelevant procured training
	615	610	999	Centrally managed cooperatives training project increased the number of successful completions
	746	670	504	INSETA information workshops with the FSCA cancelled due to lockdown. These workshops were planned after procurements were delayed because of irrelevant procured training
	117	105	76	INSETA information workshops with the FSCA cancelled due to lockdown. These workshops were planned after procurements were delayed because of irrelevant procured training

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 5	Building career and vocational guidance (NSDS III 4.8)	Learning programmes and projects	Update the career guide	Update the INSETA career guide	
			Provide career guidance development information to youth in the sector and prospective entrants to the sector	Number of district municipalities reached with career guidance for youth	
			Forge partnerships with public institutions and industry stakeholders	Number of public institutions partnered with on career guide	
				Number of industry stakeholders partnered with on career guidance	

GOAL 6	Development, registration and quality assurance of occupational qualifications in both the public TVET and private education, thereby promoting the growth of a public TVET sector college system that is responsive to sector, local, regional and national skills needs and priorities (NSDS III 4.3)	Learning programmes and projects	Public TVET colleges awarded programme approval as INSETA training providers	Number of programme approvals awarded to public TVET colleges	
			Public TVET lecturers developed to support the implementation of INSETA programmes	Number of TVET lecturers developed to support the implementation of INSETA programmes	
			Provide occupational qualifications for the sector	Provide occupational qualifications for the sector	
			Support learners to enter occupational qualifications through recognition of prior learning (RPL) process	Number of learners entering occupational qualifications through RPL process	

ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
1	1-Dec-19	1-Dec-19	Target achieved
24	18	21	More career guidance sessions conducted with DHET increased numbers
7 TVET colleges	7 TVET colleges	7 TVET colleges	Target achieved
2 industry partners	2 industry partners	2 industry partners	Target achieved

10	4	4	Target achieved
23	20	30	Increased interest from TVET college lecturers and availability of funding from INSETA
N/A	1 qualification	1 qualification	Target achieved
N/A	50	81	Availability of funding allowed for support of more learners who showed interest in obtaining their qualifications through RPL

NO	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMMES	STRATEGIC OBJECTIVE TITLE	PERFORMANCE INDICATOR	
GOAL 7	A capable and agile organisation	Administration	Maintain effective corporate governance	Number of strategic risks identified and mitigated through a board risk assessment workshop	
				Number of significant audit findings on the INSETA management report	
			Maintain an effective supply chain management unit	Number of significant SCM audit findings	
				Percentage of employees receiving SCM-related training	
			Maintain effective and efficient use of financial resources	Increase the percentage of discretionary fund spend against reserves	
			Establish a marketing and communication division	Develop a marketing and communication strategy and implementation plan for internal and external stakeholders	
				Train 80% of the INSETA permanent employees on the marketing and communication strategy and implementation plan	

ANNEXURE A: ANNUAL PERFORMANCE REPORT 2019/2020

INSETA APP GOALS AND INDICATORS PER GOAL (2019/2020)			ADDITIONAL ACHIEVEMENT	
			PRIOR-YEAR PERFORMANCE RECOGNISED IN CURRENT YEAR	
GOAL 2: ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES				
14	2.3.2	Number of youth receiving full or part qualifications through skills programmes	**125	
GOAL 4: TRAINING AND SUPPORT PROVIDED TO SECTOR COOPERATIVES, SMALL ENTERPRISES AND NGOs				
38	4.1.3	Number of cooperatives members entering skills programmes	**22	

	ACTUAL ACHIEVEMENT 2018/2019	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020	REASONS FOR DEVIATIONS
	13	3	3	Target achieved
	0	0	0	Target achieved
	0	0	1	Target not achieved
	25	100% of SCM committee members and SCM officials receive training	112% of SCM committee members and SCM officials received training	Positive variance due to interns and new employees trained
	0	95%	96%	Target achieved
	N/A	An approved marketing and communication strategy	An approved marketing and communication strategy	Target achieved
	N/A	80% of INSETA permanent employees trained	100% of INSETA permanent employees trained	Positive variance due to interns and new employees trained

	ACTUAL ACHIEVEMENT	
	ACTUAL ACHIEVEMENT	COMMENTS ON REPORTED ACHIEVEMENT
	683	**125 learners were certificated in 2018 but INSETA received their documents as evidence only in 2019. These were then reported in 2019 as per the approved reporting guideline, as they could not be reported in 2018 without supporting documents. The 683 achievement for 2019, therefore, comprises 125 learners certificated in 2018 and 558 learners who entered in 2019
	929	**22 learners started learning in 2018 but INSETA received their documents as evidence only in 2019. These were then reported in 2019 as per the approved reporting guidelines, as they could not be reported in 2018 without supporting documents. The 929 achievement for 2019, therefore, comprises 22 learners who entered in 2018 and 907 learners who entered in 2019

2. STRATEGIC OUTCOME-ORIENTATED GOALS

The 82% target achievement rate in 2019/2020 is mainly the result of many programmes being cancelled due to the national response to the Covid-19 pandemic. This made INSETA and its stakeholders acutely aware of the dire need for e-learning and online learning platforms. The following table depicts achievement of various programmes:

PROGRAMME	STRATEGIC GOAL	NO OF INDICATORS	NO OF INDICATORS ACHIEVED	PERCENTAGE ACHIEVEMENT
1. Administration	A capable and agile organisation	7	6	Partially achieved
2. Skills Planning	A credible institutional mechanism for skills planning (NSDS III 4.1)	4	4	Fully achieved
	Increased access to occupationally directed programmes (NSDS III 4.2)	18	16	Partially achieved
3. Learning Programmes and Projects	Better use of workplace-based skills development (NSDS III 4.5).	13	10	Partially achieved
	Training and support provided to sector cooperatives, small enterprises and NGOs (NSDS III 4.6)	11	6	Partially achieved
	Building career and vocational guidance (NSDS III 4.8).	4	4	Fully achieved
4. Quality Assurance	Promoting the growth of the public TVET sector college system that is responsive to the sector, local, regional and national skills needs and priorities (NSDS III 4.3)	4	4	Fully achieved
TOTAL		**61**	**50**	**82%**

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

INSETA achieved 82% of targets set during the period under review. Areas where INSETA struggled to achieve full performance related specifically to support of SMMEs. Strategies to improve this performance start with proper identification of the skills development needs of SMMEs. This will be done through consultation and robust engagement with the various SMME groupings and associations.

CHANGES TO ANNUAL PERFORMANCE TARGETS

There was an error in the APP target for 2019/2020 financial year. On page 36 of the APP, it is stated that the target for 'Workers receiving full or part qualifications through skills programmes' is 1 530. On page 52, a quarterly breakdown states a target of 1 230. The INSETA Board acknowledged the error and authorised that management confirm the target as 1 530.

AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. This is reported under the 'Predetermined objectives' heading in the 'Report on other legal and regulatory requirements' section of the auditor's report. Refer to page 74 to 78 of the 'Report of the auditors', which is published in Part E: Financial Information.

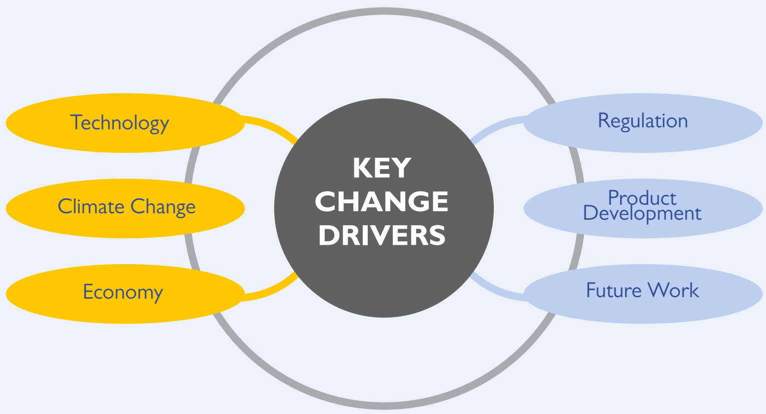
SERVICE-DELIVERY ENVIRONMENT

As a statutory body charged with driving skills development in the insurance and related services sector, INSETA is uniquely positioned to improve the sector's skills base. The following skills priorities have been identified in the insurance and related services sector:

- Advance the employability potential of young adults.
- Support the development of scarce and critical skills in the sector.
- Promote the professionalism of the sector.
- Support rural development initiatives through partnerships.

These skills priorities were identified by studying all relevant policies and frameworks. These included the NDP, the NGP and its associated National Youth Accord, the HRDSA 2010-2030 and NSDS III. They were also derived from interactive participatory sessions held by the INSETA Chief Executive Officer and managers and sector stakeholders.

KEY DRIVERS OF CHANGE IN THE SECTOR



I. *Technology* is disrupting insurance companies and the sector. This disruption is referred to as the fourth industrial revolution and involves the increasing use of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. Insurance sector clients want seamless, quick and transparent interactions and this requires a new kind of marketer (salesperson) who is tech-savvy. These changes also present many opportunities for first-time entrants in the insurance sector to acquire on-demand skills and pursue non-traditional career paths. Companies need to offer faster and cheaper products; create online tools to further engage their distribution channels; and develop digital portals, customer self-service capabilities and automation of back-end processes.

II. *Climate change* is one of the most significant challenges facing the insurance sector and is an immediate- to long-term issue. Human-wildlife tension in Africa will require the insurance sector to develop appropriate products for clients. As climate change may be tied to the rise in frequency and severity of natural disasters, it is a core issue for insurers, and for the broader financial sector and economy.

III. Most insurers are struggling with innovative *product development.* Working with constraining regulatory oversight, siloed business lines, legacy technology, and long-established processes and culture, the challenge is to improve agility and time-to-market to remain competitive and differentiated in an increasingly fluid society and marketplace. A survey of life insurance consumers indicated that 90% of insurance clients revealed a preference for self-management of existing policies through digital channels.

IV. *The South African economy* has performed poorly over the last 10 years. High employment, at 30.1%, means that the significant proportion of the economically active population is out of work and cannot access insurance products. Other problems afflicting the South African economy are 'state capture', and corruption, high fuel and transport prices, lack of business growth, high costs of doing business, high food inflation, restrictions to doing business, high costs of data, monopolies, and poor governance of state-owned entities and local municipalities. The impact of the Covid-19 pandemic is yet to be fully realised, but substantial impact has already been felt by businesses of all sizes in the insurance sector and the economy.

V. The *future of work* demands that insurers expand or upgrade their talent for the digital age. Insurers cannot increase staff numbers due to the tightness of the labour market.Insurers have found it difficult to hire specialist information technology (IT) experts, data scientists and actuarial talent.

VI. The *regulatory environment* is changing. The new Insurance Act took effect on 1 July 2018 and will eventually replace the existing Long-term Insurance Act and Short-term Insurance Act. National Treasury has established a working group to develop the Conduct of Financial Institutions Bill. This will provide the framework for licensing based on the type of activity (this relates to financial services provided). Secondary legislation under the FSCA will include insurance notices, policyholder protection rules, other regulations and conduct standards.

ORGANISATIONAL ENVIRONMENT

The INSETA Board provides strategic direction to management and fulfils an oversight role.

A: Core Divisions:

Skills Planning and Research Division is responsible for:

i) Research, which serves as a key source document in the compilation of the INSETA Strategic Plan and APP
ii) Coordination of research centres of excellence
iii) Registration and support of companies for the submission of WSPs and the APP
iv) Recommendation of payment of mandatory grants
v) Ensuring that INSETA-registered employers are compliant with the SDLA before being awarded discretionary grant funding.

Learning Division for Youth Programmes is responsible for:

i) Registration and management of learnerships
ii) Management of implementation of internships and bursaries for youth
iii) Management of implementation of TVET WIL programmes
iv) Management and implementation of the TVET strategy
v) Management and implementation of career guidance.

Learning Division for Worker Programmes is responsible for:

i) Management of implementation of skills programmes and bursaries for workers
ii) Management of implementation of candidacy learning programmes for workers
iii) Management and implementation of the SMME strategy
iv) Management and implementation of catalytic projects for workers.

Quality Assurance Division is responsible for:

i) Accreditation of SDPs
ii) Registration of assessors and moderators
iii) Monitoring of SDPs
iv) Verification of learning
v) Certification of learners
vi) Development, reviewing and implementation of occupational qualifications
vii) Implementation of external integrated summative assessments.

B: Support Divisions:

Project Management is responsible for:

i) Reporting on implementation of projects
ii) Submission of compliance reports on INSETA performance
iii) Monitoring and evaluation.

Office of the Chief Financial Officer (CFO), is responsible for:

i) Financial management
ii) Audit and risk management
iii) Financial compliance reporting.

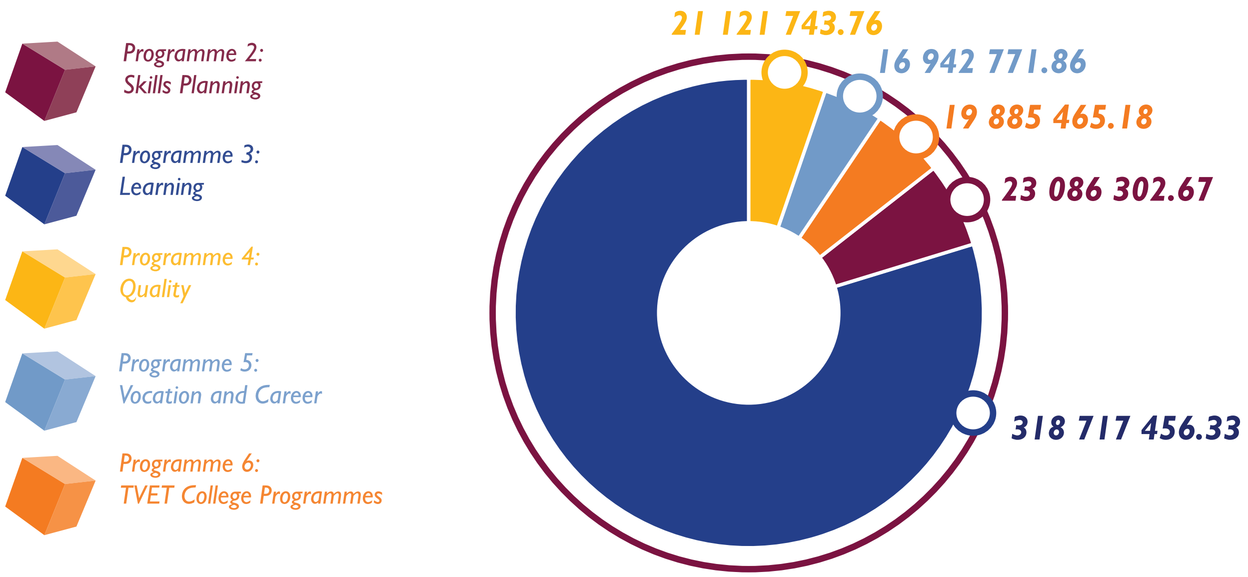
Supply Chain Management (SCM) is responsible for procurement of resources, products and services.

3. SUMMARY OF FINANCIAL INFORMATION

REVENUE COLLECTION

SOURCES OF REVENUE	2019/2020			2018/2019		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	OVER-/ (UNDER)-COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	OVER/ (UNDER)-COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Skills levies	522 099	536 789	14 690	471 000	502 345	31 345
Levies: penalties and interest	4 910	10 906	5 996	0	4 910	4 910
Investment and other income	36 378	36 880	502	20 188	33 484	13 296
TOTAL	**563 387**	**584 575**	**21 188**	**491 188**	**540 739**	**49 551**

PROGRAMME EXPENDITURE 19/20



"Many forward-looking insurers are striving for a faster and more flexible, data-led approach, similar to what many telecoms and technology companies use. The pace of change will only accelerate in the coming years as innovations become mainstream. Instead of a complicated and expensive grudge purchase, the appeal of tailored and flexible life cover as a cornerstone of personal financial security could be greatly enhanced, and the barriers to entry often faced by large segments of the population will effectively be removed."

Lee Bromfield, chief executive of FNB Life Insurance, in Personal Finance, March 2020

4. PROJECT HIGHLIGHTS

RESEARCH

Research and Learning Committee

INSETA formed a Research and Learning Committee comprising a community of experts from insurance sector professional bodies, industry associations and experts. The committee advises and guides INSETA on research projects. As the INSETA research hub evolves with various partners, this initiative will yield important insights that will help INSETA make decisions on where funding and opportunities should be directed.

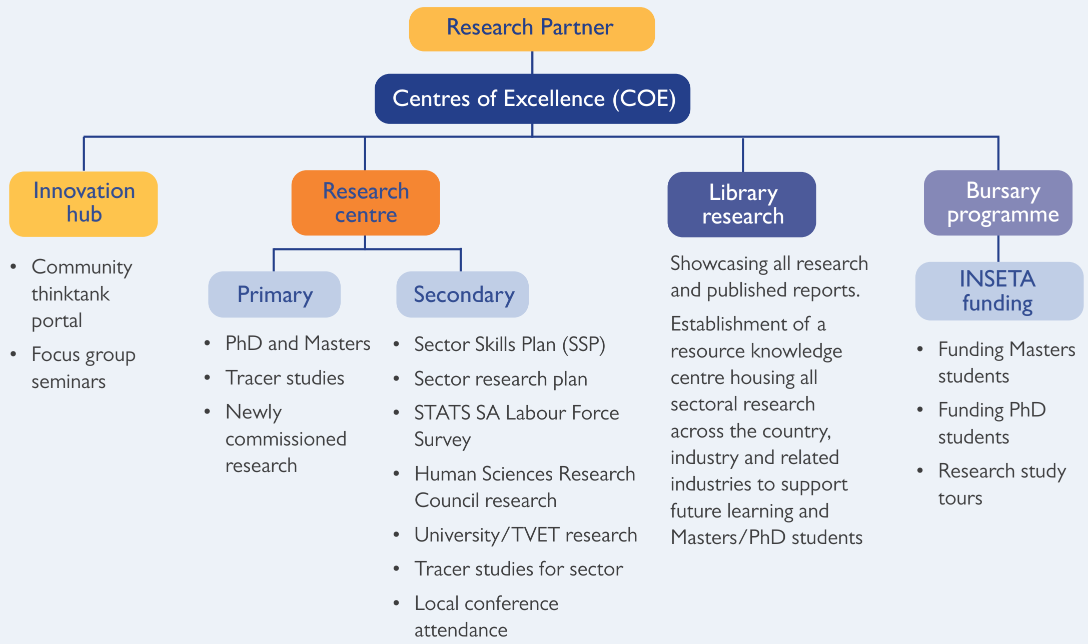
Research agenda

INSETA's research unit focuses on capacitation of the research hub and publishing of research papers and articles that affect and impact the insurance and related services sector. The unit consults with the Research and Learning Committee on matters such as the research agenda for each insurance sub-sector, determined by the sector's change drivers.

Research hub

INSETA's research hub includes an innovative thinktank that brings together communities of experts to discuss innovative ideas on various themes. The research centre is based on primary and secondary research conducted by INSETA and its partners.

The research library brings together all research, journals and published papers for stakeholder access. The research hub also enjoys the support of Masters and PHD students through bursary funding, where INSETA sponsors sector-related research that feeds into the sector's research repository housed in the INSETA research library.



Research partnerships

Partnerships are a priority on the research agenda, allowing INSETA to bolster its research hub and realise its goal of thought leadership in skills planning in the insurance sector. In the year under review, INSETA partnered on research themes with Durban University of Technology (DUT) and Wits University.

The INSETA research chair at DUT, who sits on the Ministerial Task Team on the Fourth Industrial Revolution for Post-school Education and Training, was tasked with supporting the INSETA research agenda on technology, digitisation and the fourth industrial revolution and their impact on the sector. This is a study and research project that will evolve over three years and provide key learnings to the sector on the gig economy and on job shifts and job mobility.

Wits University was instrumental in developing a body of knowledge book incorporating learnings on the short-term insurance industry. The research partners are also involved in skills planning and skills forecasting and in reviewing skills supply and demand channels across the sector, including INSETA's role in meeting these.

YOUTH PROJECTS

Answering the call for rural development

Research confirmed a lack of INSETA penetration in rural areas. To respond to the NSDS III call for transformation required a targeted approach to rural development, with INSETA working with small groups of committed workplaces to build skills from the community for service to the community.

During the year, INSETA partnered with different insurance companies, communities and local community development committees to address poverty, inequality and unemployment. Partnerships that support rural skills development were prioritised, as this triple challenge is at its highest in outlying areas. This activity marked an extension to the SETA's traditional approach of relying on firms headquartered in the major cities to implement learning programmes. The Qunu rural learnership was scoped for 30 unemployed youth. However, given the commitment and interest in participation, specifically from the Ward 19 Skills Development Committee, with worksites fully committed to opening their workplaces, the programme launched with 76 unemployed youth. Three qualifications were implemented under this learnership, with 40 learners doing long-term insurance, 16 short-term insurance and 20 wealth management, all at NQF level 4.

For the practical component of the learnership, learners were hosted by MMI Holdings, Sanlam Sky, Avbob, Workers Life Direct and Kunene Makopo. In addition to their qualifications, the learners completed a work-readiness programme to assist them to adapt to the new workplace and regulatory exams, a requirement for employment in the insurance sector. An accommodation allowance enabled the learners to move from the rural areas to town for the practical work component.

Of the 76 learners who started the learnership, 72 completed and were certificated. Thereafter, 30 learners started their internships. One learner is now employed permanently and two others have fixed-term employment contracts in the sector.

Encouraging entrepreneurship

Twenty-one young people are being exposed to the world of insurance thanks to the Entrepreneurship Development Programme, funded by INSETA and launched in partnership with Ekurhuleni West TVET College Centre for Entrepreneurship Rapid Incubator to target unemployed youth and develop SMMEs.

The 21 learners, 62% of whom are female, are undergoing18 months of in-service training that will give them a head-start in founding their own small businesses in the insurance sector or in social media strategy and advisory services, and app development. The in-service training followed an intensive entrepreneurship rapid incubation programme offered by Ekurhuleni West TVET College and its business partners, during which they were tolerant of the megatrends altering the global insurance and how to translate the skills and knowledge acquired into their businesses.

On completion of the programme, the learners will be able to develop apps and become social media consultants, among other things. They will also receive back-office support and seed funding to set up their businesses and their progress will be monitored by Ekurhuleni West TVET College through an SMME-monitoring business tool called GrowthWheel. This programme – the first of its kind – promises to provide innovative solutions to the insurance sector and TVET colleges.

A new vocational mission

The year under review started with a new mission: **'Empowered to Influence and Inspire'** in line with INSETA's intention to benefit the youth through unique skills development interventions. The mission will live through every initiative, every programme and every campaign launched to enhance the career journey of beneficiaries through skills and knowledge required to become productive members of society and to fulfil their professional and personal dreams.

To this end, the career awareness programme continued to thrive during the year, with the production and dissemination of an updated career guide, an invaluable tool for youngsters considering their career choices or preparing for the challenges of the job market. Each year the career guide is updated with the latest insurance sector career information, informed by the current scarce and critical skills and enriched by the valuable insight of employers and professional bodies. The guide is distributed to schools, at career expos and in capacity-building workshops and may be downloaded from www.inseta.org.za.

In 2019/2020, to communicate news about insurance careers, INSETA supported several career events and exhibitions that exposed school pupils and teachers to sector occupations. Many of these were organised by DHET and hosted by municipalities.

Careers on campus

INSETA, in partnership with Nkangala TVET College, hosted a successful insurance and finance careers day on 31 July 2019 at the college's Siyabuswa campus. Various companies in the finance and insurance sector, SETAs, professional bodies and training providers were invited to showcase their offerings to the learners from the various Nkangala campuses, grade 11 and 12 pupils from the community and youth not in education, employment or training. This initiative – addressing Goal 4.8 of NSDS III: Building Career and Vocational Guidance – attracted 1 500 youngsters, who were given information on how to further their studies on careers in the insurance and finance sectors, and on how to access programmes offered and funded by INSETA and other SETAs. This was the first INSETA career expo and the SETA was proud to have partnered with Nkangala TVET College.

INSETA'S 'After School' series brings career guidance to vibrant, animated life

Background

INSETA has changed the landscape around career guidance. Informed by the increasing number of mobile phones and increased internet access among the youth, the SETA partnered with a non-profit organisation, CA Classes, to create an animated career guidance series called After School. The series is flighted on various social media platforms.

After School

The series consists of 28 episodes and is set in a school environment against a backdrop of Sandton, the financial hub of South Africa. The characters are from varying backgrounds, ranging from poor to wealthy families. The episodes cover a broad range of topics such as career options in the insurance sector and the importance of maths and science.

After School – which carries the message that background and circumstances aside, anyone can achieve anything in life with hard work – relies on sound, humour and visual content to appeal to viewers. Input for the episodes was sourced from industry stakeholders such as the Financial Planning Institute, Actuarial Society of South Africa and Sanlam.

The social media platforms used to fight the series had a massive social responsibility to present a positive social narrative, which meant addressing certain social issues and promoting gender inclusion and diversity.

INSETA sees this platform as a great foundation to effectively keep sharing information about innovative learning and career opportunities in the insurance industry.

Impact

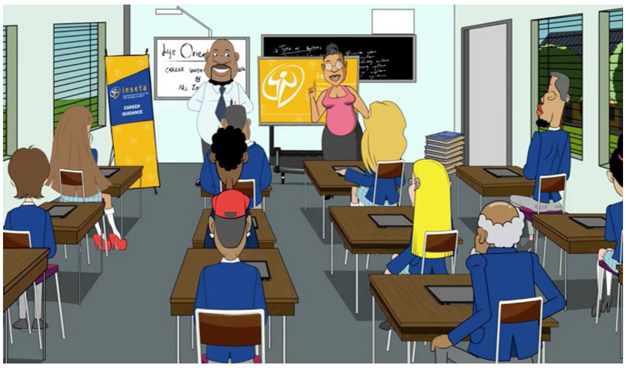
The appeal of the animated series lies in the combination of sound, humour and visual content, which allow viewers to grasp information more easily.

Since the launch in November 2019, the series has had a combined viewership in excess of ten million views across various social media platforms (YouTube, Facebook and Instagram).
https://www.careerdirectionafterschool.co.za

Way forward – an additional 24 episodes in production

- Increase the reach, viewership and following of the series, which directly impacts the awareness around INSETA and its career guidance objectives.
- Allows for the incorporation of new and follow-up topics, an example being more detail around TVET colleges.
- Grow the platform and awareness of what INSETA is doing and bring about new opportunities to engage with the audience on other projects such as learnerships, bursaries, work opportunities etc.
- Provide the viewers with an opportunity to see how the characters evolve and the results of hard work and determination.

INSETA sees this platform as a great foundation to effectively keep sharing information about innovative learning and career opportunities in the insurance industry.



This is also a good way to promote digital technologies. As with all things digital, it is important to keep improving and stay relevant.

WORKER PROJECTS

Nurturing managers and leaders

INSETA annually invests in the development of the executive leadership and middle management competencies demanded by the insurance industry by running programmes with universities that have the top-rated programmes in South Africa. These programmes enhance the sector's ability to respond to the transformational targets of the Financial Sector Charter.

The following initiatives were staged during the year under review:

INSTITUTION	PROGRAMME	PROVINCE	NUMBER OF CANDIDATES
University of the Witwatersrand	Executive development	Gauteng	30
North-West University	Middle management	Gauteng	100
University of Cape Town	Middle management	Western Cape	100
University of Cape Town	Senior management	Western Cape	30
TOTAL NUMBER OF BENEFICIARIES			**260**

In preparing executives for today's workplace demands, new topics were added, including:

- Disruption in the insurance industry
- Ethics and corporate governance
- Culture and change management
- Talent management
- Developing competitive strategy
- Design thinking
- Social innovation

Beneficiaries graduate from the University of the Witwatersrand executive development programme.

Middle management candidates from the University of Cape Town

Greenhouse grows new insurance talent

Phase one of the pilot for the Greenhouse Project, a collaboration between INSETA and Old Mutual Insure, closed on a successful note during the year under review. The project aims to ensure the availability of black brokers with priority skills and reflects INSETA's Transformation Strategy and its commitment to the Financial Sector Charter.

Phase one kicked off on 1 August 2019 in Gauteng, Western Cape and KwaZulu-Natal with 60 TVET graduates – many female – aged between 21 and 34. The candidates completed a six-month incubation that included technical training with Old Mutual Insure's Learning Academy, and soft skills and entrepreneurial skills training, followed by placement with independent brokers for workplace learning. Many are working in the insurance industry for the first time and are showing great enthusiasm for careers in this field.

Phase two will launch in September 2020 and will culminate in the graduation of young FAIS-compliant black brokers.

'The programme has played a vital role in developing my skills and knowledge. As for my family, it has had a positive impact because I am able to provide for their needs, including school fees, food and clothes.' ***Pinkie Tafane, Cape Town***

'The programme has been a success for me because it has taught me so many things about insurance as a whole. I am going to make my career in the industry work. I am grateful.' ***Sihle Dladla, Durban***

'Greenhouse Project has played a big role in my life and that of my family. It has been an amazing journey. I learnt a lot about the insurance industry and being an entrepreneur and will be able to provide for my family since I'm the breadwinner.' ***Sindisiwe Makhaye, Durban***

The Greenhouse Project was launched in major centres in August 2019.

TRAINING DELIVERY

Thirty-two SDPs newly accredited by the Quality Council for Trades and Occupations (QCTO) attended an INSETA national support workshop in 2019 to become acquainted with implementation of the newly registered occupational qualifications for insurance underwriters at NQF level 5 and claims assessors at NQF level 4.

First formally recognised underwriters

The first group of formally recognised underwriters in South Africa – 21 candidates – graduated from the first INSETA qualification of its kind on 9 October 2019 earning the 'Occupational Certificate: Insurance Agent: Insurance Underwriter NQF level 5'. This pilot project, initiated to grow the pool and quality of scarce and critical skills, enabled candidates with experience but no certificate to gain a qualification.

The scarcity of underwriters can be attributed to individuals' reluctance to choose this career in the belief that, ultimately, it would be automated. However, while some aspects of underwriting can be automated, the variables demand a person with a finely tuned skillset to assess financial risks without being an accountant, predict medical outcomes without being a doctor and defend a decision within set parameters without being an attorney. For those already in underwriting in short-term, long-term and medical insurance and reinsurance, career mobility had been limited until now.

With the new qualification, candidates are equipped to evaluate and interpret information to protect stakeholders' interests by using specialist technical knowledge to determine, price, manage and transfer risk. The course can be completed in 12 months, but candidates are given a further six months to complete their portfolios of evidence or assignments.

Recognition for 81 experienced candidates

INSETA implemented an RPL project for 81 employed people from more than 10 large insurance companies and brokerages. The SETA procured two QCTO-accredited SDPs to train the learners, 73 of whom were from Gauteng, Western Cape and KwaZulu-Natal and enrolled for the claims assessor level 4 qualification, and eight Gauteng learners on the insurance underwriter level 5 qualification. This project will be concluded at the end of November 2020.

Assessed for success

INSETA's first external Integrated summative assessment (EISA) for the Insurance Agent: Insurance Underwriter Occupational Qualification NQF level 5 was implemented with great success. The event called for:

- Development of guidelines for implementation
- Registration of candidates
- Preparation of a notification pack
- Procurement of all assessment-related logistics (venue, invigilators, assessors and moderators)
- Communication with QCTO on successful assessment implementation
- Management of learner data for certification
- Management of request for and distribution of certificates
- Conducting of community of expert practitioner sessions to internally quality assure the EISA process.

In preparation for implementation, INSETA recommended eight TVET colleges in Limpopo, Gauteng, Western Cape and KwaZulu-Natal and two professional bodies in Gauteng as assessment centres at which examinations would be written, and trained 135 TVET college graduates in Gauteng, Limpopo, Eastern Cape and Mpumalanga as invigilators.

Public support to develop pool of providers

INSETA continues to support public TVET colleges nationally to increase a pool of accredited SDPs, increase access to learning for those in rural communities and promote a pipeline of young entrants into the insurance sector.

During the year under review, INSETA programme approval was awarded to five TVET colleges in Western Cape, KwaZulu-Natal, Free State and Eastern Cape, bringing the number of public TVETs awarded programme approval to 36. Of these, 19 are accredited to offer insurance-specific qualifications.

Only two offer learnerships. Learners in 13 TVET colleges received bursary funding for courses aligned to or supportive of the insurance sector. In addition, 30 lecturers from five TVET colleges benefitted from an introduction to insurance to equip them to train learners on the forthcoming insurance protégé occupational qualification.

GOVERNANCE


PART

1. INSETA BOARD MEMBERS FOR 2020/2021

JS Ngubane
Chairperson

V Pearson
Business

L van der Merwe
Business

RG Govender
Business

AP Mendes
Business

SJ Kruger
Business

ZRN Motsa
Business

PR Motlhabane
Labour

M Soobramoney
Labour

JJM Mabena
Labour

SA Anders
Labour

CB Botha
Labour

TS Dinyake
Labour

FM Mabaso
Government

MS Mpuru
Community Organisation

INDEPENDENT AUDIT AND RISK COMMITTEE MEMBERS

JD Watson
Chairperson

MW Shezi

CN Nyakaza

2. REPORT OF THE ACCOUNTING AUTHORITY

The Accounting Authority (Board) takes responsibility for the preparation of the annual financial statements. The Board is of the opinion that based on INSETA's assurance model, these financial statements fairly present its financial position as at 31 March 2020.

CORPORATE GOVERNANCE

The Board of INSETA operated in accordance with Section 51 of the PFMA. It ensured that INSETA maintained effective and transparent systems of risk management and internal controls by having a strong audit committee that is supported by effective internal audit and skilled executive management. During the financial year, management prepared and submitted policies for the Board's approval. The Board is supported in its functions and duties by the Audit and Risk Committee, the Finance Committee and the Human Resources Committee, all of which have been functional since the establishment of INSETA.

GENERAL REVIEW OF THE STATE OF AFFAIRS

Levy income

Some 5 140 employers in the insurance sector have registered with the South African Revenue Service (SARS), with 2 571 being classified as levy contributors. The sector employs over 120 000 people, excluding people employed in micro-enterprises and informal businesses. Income from levies continued to show an increasing trend during the period under review attributable to the following factors:

- An increase in the number of levy-paying employers in the sector
- Increase in skills development levies aligned with cost of living and general salary adjustments in the sector

Investment income

Investment income has increased over the past four years. Over the years, INSETA had reported net cash inflows from its operations. For the first time and due to improved spending, it is reporting a net cash outflow this financial year. Continuous improvement in budgeting and timely projections during the financial year, and the resultant increase in commitments, will begin to reduce investment income over the coming years as the investment is directed towards funding of skills development.

Investment is skills development

The current year shows 77% increase over the prior year. This increase is a mirror image of the deficit in the statement of financial performance. This indicates the increasing level of investment in skills development. This spending is spread among learnerships, internships, skill programmes, bursaries and catalytic projects.

Operating results

INSETA is reporting a deficit of R20 378 million. This is within the approved budget deficit of R92 million, which was projected in October 2019. Following this projection, a request was made to the Minister and the approval to budget for the deficit was received. The deficit is due to increased spending and implementation of commitments that were in the books as at March 2019 and spending against the surpluses that were retained in the 2019 financial year.

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 28.1.1 and is as follows:

DESIGNATION	MEETING/PREPARATION FEE PER DAY
Chairperson	R5 549
Ordinary member	R4 317

The table below summarises all payments made to Board and Board sub-committees:

	MEETING FEES ACCRUED DURING THE PERIOD UNDER REVIEW
Remuneration of Board members	R1 672 920
Audit and Risk Committee member attendance of sub-committee meetings	R679 836
TOTAL	**R2 352 756**

(**S** = SCHEDULED **A** = ATTENDED)

	BOARD		EXCO		FINCO		AUDIT		HR		OTHER		
MEMBER	**S**	**A**	**S**	**A**	**S**	**A**	**S**	**A**	**S**	**A**	**S**	**A**	**REMUNERATION**
MV Mokgobinyane	4	4	12	11	0	0	0	0	0	0	3	7	**203 938**
WH van Rensburg	4	4	12	12	0	0	0	0	0	0	3	2	**151 095**
AM D'Alton	4	4	0	0	4	3	0	0	0	0	3	2	**77 706**
A Khoza	4	4	12	11	0	0	0	0	0	0	3	2	**142 461**
L Hollis	4	4	12	12	0	0	0	0	0	0	3	2	**151 095**
J Ramsunder	4	4	0	0	4	0	5	5	0	0	3	3	**99 291**
M Soobramoney	4	4	12	8	0	0	0	0	0	0	3	2	**116 559**
M Machai	4	4	0	0	4	3	0	0	4	6	3	3	**148 611**
RG Govender	4	3	0	0	4	4	0	0	0	0	3	2	**90 026**
G Conradie	4	2	0	0	4	0	5	4	0	0	3	1	**60 438**
PR Motlhabane	4	4	0	0	4	2	0	0	0	0	3	3	**73 389**

REMUNERATION OF BOARD MEMBERS FOR THE 2019/2020 FINANCIAL YEAR...CONTINUED

(**S** = SCHEDULED **A** = ATTENDED)

	BOARD		EXCO		FINCO		AUDIT		HR		OTHER		
MEMBER	**S**	**A**	**S**	**A**	**S**	**A**	**S**	**A**	**S**	**A**	**S**	**A**	**REMUNERATION**
B McKay	4	4	0	0	4	3	0	0	4	7	3	3	**138 144**
I Ramputa	4	4	0	0	0	0	0	0	4	6	3	1	**90 657**
V Pearson	4	2	0	0	0	0	0	0	4	5	3	1	**69 072**
TS Dinyake	4	3	0	0	0	0	0	0	4	3	3	2	**60 438**
													1 672 920

Note: The amounts indicated above are paid to the member or the nominating organisation. The above schedule of payments excludes independent members of the Audit and Risk Committee.

REMUNERATION OF KEY MANAGEMENT

As required by Treasury Regulation 28.1.1 issued in terms of the Public Finance Management Act, the remuneration of management during the period of reporting consisted of the following components:

Chief Executive Officer: Nadia Starr (from 1 February 2019)

DESIGNATION	2019/2020	2018/2019
Cost of employment	R1 881 778	R313 000
Bonuses	R315 000	RNil
TOTAL	**R2 196 000**	**R313 000**

Chief Operating Officer: Tumi Peele (from 1 October 2019)

DESIGNATION	2019/2020	2018/2019
Cost of employment	R756 000	RNil
Bonuses	RNil	RNil
TOTAL	**R756 000**	RNil

Chief Financial Officer: David Molapo

DESIGNATION	2019/2020	2018/2019
Cost of employment	R1 785 000	R1 773 000
Bonuses	R300 1000	R162 000
TOTAL	**R2 085 000**	**R1 935 000**

BUSINESS ADDRESS

INSETA is situated at 37 Empire Road, Parktown, Johannesburg. The postal address is PO Box 32035, Braamfontein, 2017.

SJ Ngubane
Chairperson, INSETA

Nadia Starr
Chief Executive Officer, INSETA

3. CORPORATE GOVERNANCE

Corporate governance at INSETA is applied through the rules of the PFMA. The Board at INSETA is ultimately responsible for corporate governance.

4. PARLIAMENTARY PORTFOLIO COMMITTEES

During the period under review, INSETA was invited to attend a Higher Education and Training Parliamentary Portfolio Committee meeting on its Strategic Plan and Annual Performance Plan on 7 June 2017.

5. EXECUTIVE AUTHORITY

INSETA submitted both financial and performance reports to DHET quarterly in accordance with the PFMA precepts. DHET conducted quarterly verification visits at INSETA. The SLAs and budgets were also submitted in accordance with the statutory requirements.

6. COMPLIANCE WITH LAWS AND REGULATIONS

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

7. FRAUD AND CORRUPTION

There were no reported incidents of fraud and corruption in the period under review.

8. **MINIMISING** CONFLICT OF INTEREST

INSETA has a number of strategies in place to minimise conflicts of interest in SCM. All practitioners signed the INSETA code of conduct for SCM officials, which provides for disclosures. A record is kept of all disclosures and all bid/tender committees have disclosure processes. There is adequate segregation of duties to avoid potential conflicts of interest in the various SCM and payment roles. INSETA also maintains a gift register where details of all gifts received by officials are recorded.

9. **CODE** OF CONDUCT

All employees sign a code of conduct when they join INSETA. Suppliers who contract with INSETA must sign a code of conduct for providers. This raises awareness that a certain standard of behaviour and ethical conduct is required when transacting with INSETA. Where there is a breach of the code, INSETA is entitled to pursue a remedy, either by disciplinary or other rights granted by the contract.

10. **HEALTH, SAFETY** AND ENVIRONMENTAL ISSUES

INSETA has in place mechanisms to address environmental, health and safety issues.

"Technology can go only so far in isolation. Grasping the full benefit of the changing context requires that humans remain at the cutting-edge of this revolution.

The initial recognition of the power and need for the right people is clearly present in the insurance industry and provides an advantageous point of departure. The increasing rate of change associated with 4IR and the resulting continuously evolving needs of businesses mean that learning can never be completed and needs to become a continuous ambition."

Presentation at the Actuarial Society of South Africa's 2019 Convention, October 2019

D HUMAN RESOURCE MANAGEMENT


PART
D

1. STAFF MEMBERS


Nadia Starr


Lynn Tlale


Saloshnee Govender


Tshepo Mabika


Nerissa Sheopershad


Zodwa Motloung


Tshembani Maluleke


Norman Maphala


David Molapo


Matimba Baloyi


Buli Mswabuki


Nokuthula Mokase


Sello Baloyi


Sarah Richard


Margaret Janfeke


Mukelani Mdlalose


Vuyokazi Memela


Henry Goliath


Bonginkosi Mthombeni


Nonhlanhla Nkabinde


Lebogang Mabusela


Adeline Singh


Bonginkosi Malinga


Ernest Kaplan


Tasmin Davids


Aubrey Manganyi


Tumi Peele


Maria Nkomo


Stanley Matende


Unathi Jakalase


Ouma Nkoadi


Miranda Mthethwa


Merriam Mashiane


Mathoto Mokasane


Nyiko Maholobela


Akhona Wotshela


Nhlanhla Siboto


Zibuyile Nkabinde


Lavern Ogle


Rosa Sephuma

1. STAFF MEMBERS (CONTINUED)


Athi Nomavilla


Phumelele Sithole


Martin Kolele


Siphiwe Yende


Katlego Siko


Asavela Pumelo


Nasreen Ravat


Nomaswazi Malinga


Kgothatso Modise


Ngwako Mpebe


Esethu Roro


Nthabiseng Mazibhuko


Sandisiwe Mgidi


Zanele Mashiane

2. HUMAN RESOURCES STATISTICS

In line with its obligations as a public entity, INSETA provides the following key information on human resources:

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

PROGRAMME/ ACTIVITY/ OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Administration funded	-	23 335 000	64%	54	**432 129**
Discretionary projects funded	13 096 664	-	36%	47	**278 652**

ADMINISTRATION LEVY-FUNDED PERSONNEL COST BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Top management	4 998 150	21%	3	1 666 050
Management	5 419 108	23%	7	774 158
Professional qualified	-	-	-	-
Skilled	8 161 653	35%	21	388 650
Semi-skilled	4 503 092	19%	21	214 432
Unskilled	252 997	2%	2	126 498
TOTAL	**23 335 000**	**100%**	**54**	

DISCRETIONARY LEVY-FUNDED PERSONNEL COST BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Top management	-	-	-	
Management (permanent)	3 975 637	30	4	993 909
Professional qualified (fixed)	519 113	4	1	519 113
Skilled permanent	2 990 916	23	9	332 324
Semi-skilled (permanent)	3 522 557	27	13	270 965
Semi-skilled (fixed)	642 594	5	4	160 648
Semi-skilled (interns)	201 467	1	6	33 577
Verifiers/SSF (fixed)	1 244 380	10	10	124 438
TOTAL	**13 096 664**	**100%**	**47**	

DISCRETIONARY LEVY-FUNDED PERFORMANCE REWARDS

PROGRAMME/ ACTIVITY/ OBJECTIVE	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top management	-	-	-
Management	365 408	3 975 637	9%
Professional qualified	-	-	-
Skilled	138 607	2 990 916	5%
Semi-skilled	278 464	3 522 557	8%
Unskilled	-	-	-
TOTAL	**782 479**	**10 489 110**	**7%**

ADMINISTRATION-FUNDED PERFORMANCE REWARDS

PROGRAMME/ ACTIVITY/ OBJECTIVE	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top management	762 358	4 998 150	15%
Management	347 588	5 419 108	6%
Professional qualified	-		
Skilled	574 551	8 161 653	7%
Semi-skilled	328 330	4 503 092	7%
Unskilled	21 486	252 997	8%
TOTAL	**2 034 313**	**23 335 000**	**9%**

TRAINING COSTS

PROGRAMME/ ACTIVITY/ OBJECTIVE	PERSONNEL EXPENDITURE	TRAINING EXPENDITURE	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NUMBER OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
All	36 431 664	989 000	3%	53	18 660

EMPLOYMENT AND VACANCIES

PROGRAMME/ ACTIVITY/ OBJECTIVE	2018/2019 NUMBER OF EMPLOYEES	2019/2020 APPROVED POSTS	2019/2020 NUMBER OF EMPLOYEES	2019/2020 VACANCIES	% OF VACANCIES
Top management	2	3	3	-	-
Management	9	10	10	-	-
Professional qualified	-	-	-	-	-
Skilled	21	25	22	4	18%
Semi-skilled	28	32	27	4	15%
Unskilled	2	2	2	-	-
TOTAL	**62**	**72**	**64**	**8**	**13%**

* The position of COO was filled by an INSETA staff member. Candidates went through two interviews and a competency assessment test.

* IT specialist was first advertised internally. No internal candidate applied because none met the inherent requirements of the job. It was then advertised externally and the position offered to an external candidate.

* ETQA manager was first advertised internally and no internal candidate applied. It was then advertised externally.

MEASURES TAKEN TO SUCCESSFULLY ATTRACT AND RETAIN STAFF

a. Advertising posts in accessible and national media channels, such as national newspapers and the INSETA website.
b. Using effective selection techniques, including formal interviews by an experienced panel.
c. Ensuring the best fit for each position.
d. Providing career direction, offering career growth by providing staff bursaries and equipping each employee with a personal development plan for own career development.
e. Offering meaningful work and encouraging ownership of organisational and personal goals.
f. Providing recognition and rewards for performance.
g. Ensuring a conducive culture and work environment.
h. Promoting work-life balance.
i. Acknowledging achievements.

EMPLOYMENT CHANGES

The table below depicts turnover rates as an indication of trends in employment profile.

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD 1-APR-19	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF PERIOD 31-MAR-20
Top management	2	1	-	3
Management	9	2	1	10
Professional qualified	-	-	-	-
Skilled	21	8	7	22
Semi-skilled	28	1	2	27
Unskilled	2	-	-	2
TOTAL	**62**	**12**	**10**	**64**

REASON FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NUMBER OF STAFF LEAVING
Death	-	-
Resignation	10	1%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
TOTAL	**10**	**1%**

* All 10 staff resigned because they were offered promotions and better salary packages outside INSETA. Replacements will be sought in line with the INSETA recruitment and selection policy. All the vacant positions are first advertised internally to give staff the opportunity for growth. Internal applicants go through the normal interview process with the interview panel. If they are not successful, the vacant position will be advertised externally though newspapers and on the INSETA website.

VACANCIES
Human Resource Specialist
Researcher

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	-
Written warning	-
Final written warning	-
Dismissal	-

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

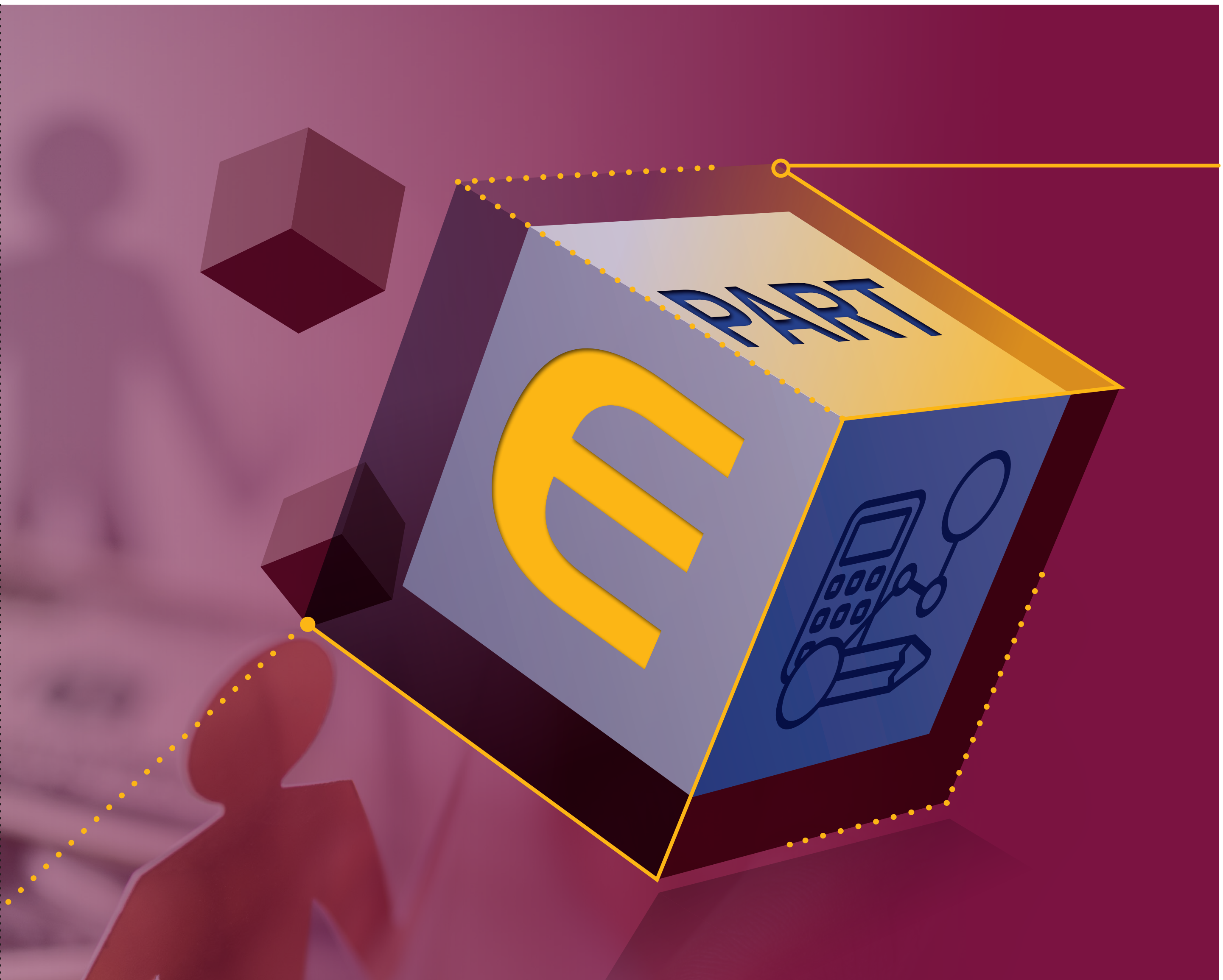
Going forward, INSETA will specify in the advert the target group needed to fill the vacancy.

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	1	-	-	-	-	-	-	-
Management	4	-	1	-	-	-	-	-
Professional qualified	-	-	-	-	-	-	-	-
Skilled	6	-	-	1	-	1	1	1
Semi-skilled	5	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
TOTAL	**16**	**-**	**1**	**1**	**-**	**1**	**1**	**1**

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	1	-	1	-	-	-	-	-
Management	2	-	1	-	2	-	-	-
Professional qualified	-	-	-	-	-	-	-	-
Skilled	11	-	1	-	2	-	1	1
Semi-skilled	20	-	2	-	-	-	-	-
Unskilled	2	-	-	-	-	-	-	-
TOTAL	**36**	**-**	**5**	**-**	**4**	**-**	**1**	**1**

LEVELS	PEOPLE WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	-	-	-	-
Management	-	-	-	-
Professional qualified	-	-	-	-
Skilled		3	-	1
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	**-**	**3**	**-**	**1**

DHET	Department of Higher Education and Training
GRAP	Generally Recognised Accounting Practice
INSETA	Insurance Sector Education and Training Authority
NSF	National Skills Fund
SARS	South African Revenue Service
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
QCTO	Quality Council for Trades and Occupations
UIF	Unemployment Insurance Fund



FINANCIAL INFORMATION

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

AUDIT AND RISK COMMITTEE REPORT TO THE INSETA BOARD FOR THE YEAR ENDED 31 MARCH 2020

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2020.

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE FOR THE YEAR

The INSETA Audit and Risk Committee consists of the members listed below. In accordance with its Charter, the committee is required to meet at least four times a year. For the year under review, meetings, attendance and remuneration (independent members) are as shown in the table below. The remuneration of Board members serving on this committee is disclosed in the report of the Accounting Authority.

AUDIT AND RISK COMMITTEE REMUNERATION

	AUDIT AND RISK COMMITTEE		SPECIAL ENGAGEMENTS		TOTAL
Name	**Scheduled**	**Attended**	**Scheduled**	**Attended**	**Remuneration**
AN Mhlongo (Outgoing Chairperson)	5	2	3	3	R84 010
J Watson (Chairperson)	5	5	3	4	R252 030
M Shezi	5	5	3	3	R192 871
N Nyakaza	5	5	3	2	R150 925
TOTAL					**R679 836**

Special engagements include the chairpersons' attendance at three of the four scheduled Board meetings during the year as well as members' attendance of a joint audit and finance committee meeting.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with and discharged its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 27.1. The committee operated in terms of the adopted formal terms of reference as per its Audit and Risk Committee Charter. The committee regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein, except that it has not reviewed changes in accounting policies and practices.

THE EFFECTIVENESS OF INTERNAL CONTROLS

INSETA has outsourced the internal audit services to an external service provider. The service provider used the identified risks in developing its risk-based audit approach. The internal auditors prepared a three-year rolling plan that was approved by the Audit and Risk Committee. During the year, the internal auditors submitted their reports and progress made against the plan to the Audit and Risk Committee.

The Internal Audit activity is undertaken in terms of its approved Charter. A three-year Internal Audit Plan has been developed based on the key risks facing the organisation. The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

RISK MANAGEMENT

Strategic risks have been identified by the Board and have been rated and tolerance levels set. Management identifies operational risks on an ongoing basis. Both strategic and operational risks are regularly reviewed by management and reported to the Board. The risk management framework, along with the implementation plan, fraud prevention plan and combined assurance plan, were reviewed during the year. In addition to the risk register, INSETA also developed a framework of applicable laws and the compliance risk management plan.

GOVERNANCE

The governance of INSETA is regulated primarily by the PFMA and Treasury Regulations. INSETA also considers codes of best practice when designing its governance and oversight arrangements. A review of the existing arrangements will be undertaken based on the most recent publication of the King Committee's report on corporate governance. The Audit and Risk Committee concurs and accepts the conclusions by the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

John Watson
Chairperson of Audit and Risk Committee
INSETA
31 July 2020

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Insurance Sector Education and Training Authority set out on pages 81 to 122, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Insurance Sector Education and Training Authority as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

Emphasis of matter

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

EVENTS AFTER REPORTING PERIOD

7. I draw attention to note 27 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on the public entity's future prospects, performance and cash flows. Management has also described how it plans to deal with these events and circumstances.

Responsibilities of the accounting authority for the financial statements

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

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

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

12. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2020:

PROGRAMME	PAGES IN ANNUAL PERFORMANCE REPORT
Programme 3 – learning programmes and projects	20 - 32

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:
    - Programme 3 - Learning programmes and projects

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 20 to 36 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3: learning programmes and projects. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

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

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and as required by section 55(1) (b) of the PFMA.
23. Material misstatement on the statement of budget comparison of budget versus actual identified by the auditors on the submitted financial statement was corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

OTHER INFORMATION

24. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
29. The public entity did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information. This is evidenced by material adjustments to the statement of comparison of budget and actual amounts and performance information.
30. The review processes of the financial statements and performance information were not adequate to ensure accurate financial statements and a performance report that were free from material misstatements as well as compliance with legislation.
31. Oversight responsibility regarding financial and performance reporting and compliance was not adequately exercised, as the controls in place did not prevent or detect internal control deficiencies that resulted in material misstatements.

Auditor - General

Pretoria

30 September 2020

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2020

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999) to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement.

The external auditors are responsible for expressing an independent opinion on the financial statements of INSETA. The annual financial statements set out on pages 81 to 122 were approved by the Accounting Authority on 30 September 2020 and were signed on its behalf by:

SJ Ngubane
Chairperson, INSETA

Nadia Starr
Chief Executive Officer, INSETA

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 R'000	2019 Restated* R'000
ASSETS			
CURRENT ASSETS			
Inventories		-	13
Receivables from exchange transactions	3	2 538	3 409
Receivables from non-exchange transactions	4	7 893	8 279
Cash and cash equivalents	5	554 369	581 200
		564 800	**592 901**
NON-CURRENT ASSETS			
Property, plant and equipment	6	4 720	3 722
Intangible assets	7	1	129
		4 721	**3 851**
TOTAL ASSETS		**569 521**	**596 752**
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	8	-	18
Operating lease liability		-	293
Payables from exchange transactions	9	3 245	6 717
Payables from non-exchange transactions	10	33 262	36 646
Provisions	11	5 894	5 580
		42 401	**49 254**
TOTAL LIABILITIES		**42 401**	**49 254**
NET ASSETS		**527 120**	**547 498**
RESERVES			
Administration reserve		4 721	3 851
Employer grant reserve		121	127
Discretionary reserve		522 278	543 520
TOTAL NET ASSETS		**527 120**	**547 498**

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 R'000	2019 Restated* R'000
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest income	13	36 366	33 257
Other income from exchange transactions	14	514	227
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS		**36 880**	**33 484**
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Skills development levy: Income	15	536 789	502 345
Skills development levy: Penalties and interest		10 906	4 910
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS		**547 695**	**507 255**
TOTAL REVENUE		**584 575**	**540 739**
EXPENDITURE			
Discretionary grants	16	(423 684)	(239 834)
Employer grants	17	(120 583)	(113 185)
Administration expenses	18	(60 686)	(56 470)
TOTAL EXPENDITURE		**(604 953)**	**(409 489)**
(DEFICIT)/SURPLUS FOR THE YEAR	12	**(20 378)**	**131 250**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Total reserves R'000	Unappropriated surplus R'000	Total net assets R'000
BALANCE AT 01 APRIL 2018		**3 360**	**130**	**412 759**	**416 249**	-	**416 249**
CHANGES IN NET ASSETS							
Surplus for the year		-	-	-	-	131 250	131 250
Allocation of unappropriated surplus	12	9 457	12 692	109 101	131 250	(131 250)	-
Excess transferred to discretionary reserve	12	(8 966)	(12 695)	21 661	-	-	-
TOTAL CHANGES		**491**	**(3)**	**130 762**	**131 250**	**-**	**131 250**
RESTATED* BALANCE AT 01 APRIL 2019		**3 850**	**127**	**543 521**	**547 498**	**-**	**547 498**
CHANGES IN NET ASSETS							
Surplus for the year		-	-	-	-	(20 378)	(20 378)
Allocation of unappropriated surplus	12	9 876	13 398	(43 652)	(20 378)	20 378	-
Excess transferred to discretionary reserve	12	(9 005)	(13 404)	22 409	-	-	-
TOTAL CHANGES		**871**	**(6)**	**(21 243)**	**(20 378)**	**-**	**(20 378)**
BALANCE AT 31 MARCH 2020		**4 721**	**121**	**522 278**	**527 120**	**-**	**527 120**

TRANSFER OF EXCESS TO DISCRETIONARY RESERVE

ADMINISTRATION RESERVE:

Excess reserves of R9 005 000 (2019: R8 966 000) were transferred to the discretionary reserve. The amount retained in the administration reserve equals the carrying amount of property, plant and equipment and intangible assets.

EMPLOYER GRANT RESERVE:

Excess reserves of R13 404 000 (2019: R12 695 000) were transferred to the discretionary reserve. The balance retained in the employer grant reserve is limited to the estimated amount of mandatory grants payable to newly registered employers, who have up to 6 months to submit applications for mandatory grants. Refer also to contingent liabilities note 21.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 R'000	2019 Restated* R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Levies, interest and penalties		548 110	507 988
Interest received		36 620	33 123
Other receipts		498	136
		585 228	541 247
PAYMENTS			
Employee related costs		(27 622)	(22 550)
Employer grants and project expenses		(547 429)	(364 324)
Payments to suppliers		(35 686)	(33 885)
Interest paid		(18)	-
		(610 755)	(420 759)
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	**(25 527)**	**120 488**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(1 286)	(803)
Purchase of intangible assets	7	-	(15)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(1 286)**	**(818)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease obligation		(18)	(55)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(26 831)**	**119 615**
Cash and cash equivalents at the beginning of the year		581 200	461 585
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**554 369**	**581 200**

STATEMENT OF COMPARISON
OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other income from exchange transactions	-	144	144	514	370	31.1
Interest income	31 671	4 563	36 234	36 366	132	31.2
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	**31 671**	**4 707**	**36 378**	**36 880**	**502**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Skills development levy: Income	507 000	15 099	522 099	536 789	14 690	31.3
Skills development levy: Penalties and interest	4 409	501	4 910	10 906	5 996	31.4
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS	**511 409**	**15 600**	**527 009**	**547 695**	**20 686**	
TOTAL REVENUE	**543 080**	**20 307**	**563 387**	**584 575**	**21 188**	
EXPENDITURE						
Discretionary grants	(363 729)	(111 445)	(475 174)	(423 684)	51 490	31.5
Employer grants	(112 808)	(4 664)	(117 472)	(120 583)	(3 111)	31.6
Administration expenses	(66 543)	3 792	(62 751)	(60 686)	(2 065)	31.7
TOTAL EXPENDITURE	**(543 080)**	**(112 317)**	**(655 397)**	**(604 953)**	**50 444**	
DEFICIT	**-**	**(92 010)**	**(92 010)**	**(20 378)**	**71 632**	
ACTUAL AMOUNT ON COMPARABLE BASIS AS PRESENTED IN THE BUDGET AND ACTUAL COMPARATIVE STATEMENT	**-**	**(92 010)**	**(92 010)**	**(20 378)**	**71 632**	

The approved budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities, part 2 par 53. Although INSETA had budgeted for a breakeven, during the financial year increased spending was noted due to spending against the approved surplus retention from March 2019 and spending against the commitment balances outstanding as at 31 March 2019. Consequently, INSETA submitted a request to National Treasury and DHET for the revised budget deficit. Approval for the final budget was received from both authorities.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2020

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement. Amounts are presented in round thousands unless otherwise stated.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

1.1 PRESENTATION CURRENCY

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

1.2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

ALLOWANCE FOR IMPAIRMENT OF RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

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

The impairment is measured as the difference between the receivables carrying amount and the present value of the estimated future cash flows.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

PROVISIONS

Provisions are recognised at the best estimate of cash outflows required to settle the related obligations. Disclosure of the basis of each provision is included in note 11.

RESERVES

Amounts retained in the employer grant reserve are based on an estimate of employer grants that may be approved after the reporting date in relation to newly registered companies who have up to 6 months to submit applications for mandatory grants in terms of the Skills Development Act. This estimate is also disclosed as a contingent liability. Refer to note 21.

1.3 PROPERTY, PLANT AND EQUIPMENT

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

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

Impairment losses are recognised when the carrying amount of property, plant and equipment exceeds its estimated recoverable amount. Such property, plant and equipment is written down immediately to its recoverable amount. Impairment losses are recognised in surplus or deficit.

The estimated useful lives, residual values and depreciation method are reviewed at each reporting date. The effect of any change in these estimates is accounted for prospectively.

Where property, plant and equipment are disposed of, the gain or loss on disposal is determined as the difference between disposal proceeds and the carrying amount on date of disposal. Gains or losses on disposal are recognised in surplus or deficit.

Costs associated with the repair and maintenance of property, plant and equipment are recognised in surplus or deficit in the period in which they are incurred.

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

Item	Depreciation method	Average useful life
Office furniture	Straight line	10 – 25 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 – 22 years
Computer equipment	Straight line	3 – 20 years
Other fixtures	Straight line	Lease term of premises

1.4 INTANGIBLE ASSETS

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

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

Impairment losses are recognised when the carrying amount of an intangible asset exceeds its estimated recoverable amount. Such intangible asset is written down immediately to its recoverable amount. Impairment losses are recognised in surplus or deficit.

1.4 INTANGIBLE ASSETS (CONTINUED)

The amortisation period and amortisation method are reviewed at each reporting date. The effect of any change in these estimates is accounted for prospectively.

Where intangible assets are disposed of, the gain or loss on disposal is determined as the difference between disposal proceeds and the carrying amount on date of disposal. Gains or losses on disposal are recognised in surplus or deficit.

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

Item	Depreciation method	Average useful life
Computer software licences	Straight line	2 years. Limited to licence period

1.5 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

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

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

INITIAL RECOGNITION

INSETA recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

INITIAL MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

INSETA measures financial assets and financial liabilities initially at fair value net of transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments categorised as financial instruments at amortised cost are measured at amortised cost using the effective interest rate method less any impairment losses. The effective interest rate 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.All financial assets measured at amortised cost, or cost, are subject to an impairment review.

IMPAIRMENT AND UNCOLLECTIBILITY OF FINANCIAL ASSETS

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

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

PRESENTATION

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit. Losses and gains relating to a financial instrument or a component that is a financial liability are recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position only when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.6 STATUTORY RECEIVABLES

IDENTIFICATION

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

RECOGNITION

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

INITIAL MEASUREMENT

The entity initially measures statutory receivables at their transaction amount.

SUBSEQUENT MEASUREMENT

The entity measures statutory receivables after initial recognition using the cost method. The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and less any accumulated impairment losses and any amounts derecognised.

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

IMPAIRMENT LOSSES

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.

1.6 STATUTORY RECEIVABLES IDENTIFICATION (CONTINUED)

- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

1.7 TAXATION

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

1.8 LEASES

FINANCE LEASES – LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability.

Any contingent rents are expensed in the period in which they are incurred.

OPERATING LEASES – LESSEE

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

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

1.9 INVENTORIES

Consumables are initially measured at cost on acquisition date and subsequently measured at the lower of cost and current replacement cost.

Consumables are recognised as assets at acquisition date and subsequently recognised in surplus or deficit as they are consumed.

1.10 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets' remaining service potential.

REVERSAL OF AN IMPAIRMENT LOSS

INSETA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, INSETA estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation/(amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 RESERVES

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

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

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

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

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

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

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

1.12 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered.

1.12 EMPLOYEE BENEFITS (CONTINUES)

At the reporting date, a liability is recognised for compensated absences such as annual leave not yet utilised by employees. INSETA recognises this obligation based on the best available estimate of accumulated leave days expected to vest and on remuneration rates of the respective employees.

DEFINED CONTRIBUTION PLANS

Payments to defined contribution plans are recognised as an expense as they fall due. A liability is recognised for unpaid contributions at the end of the reporting period.

TERMINATION BENEFITS

Termination benefits are recognised when they accrue to employees.

1.13 PROVISIONS AND CONTINGENCIES

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21.

1.14 COMMITMENTS

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

Unrecognised contractual commitments are disclosed in the notes to the annual financial statements. Refer to note 20.

Commitments mean that contractual obligations exist at the end of the financial year that will oblige INSETA to make a payment or payments in the ensuing year.

A contractual obligation means there is an agreement (written) with specific terms between INSETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which INSETA will be obliged to make payment against the discretionary grant.

1.15 REVENUE FROM EXCHANGE TRANSACTIONS

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

INTEREST INCOME

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

1.16 REVENUE FROM NON-EXCHANGE TRANSACTIONS

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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

Non-exchange revenue transactions include the receipt of levy income from the DHET.

SKILLS DEVELOPMENT LEVY: INCOME

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

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

Eighty percent of skills development levies is paid to INSETA from SARS through DHET (net of the 20% contribution to the National Skills Fund (NSF)). Revenue is adjusted for transfers of employers between SETAs. Such adjustments are separately disclosed as inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the most recent standard operating procedure issued by DHET.

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

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

SKILLS DEVELOPMENT LEVY: PENALTIES AND INTEREST

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

1.17 EMPLOYER GRANTS AND PROJECT EXPENSES

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

EMPLOYER GRANTS (MANDATORY GRANTS)

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

DISCRETIONARY GRANTS AND PROJECT EXPENSES

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

Project expenses comprise;

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

Costs are allocated using methods that are systematic and rational and are applied consistently to all costs of a similar nature.

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

REVENUE ADJUSTMENTS BY SARS

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

1.18 COMPARATIVE FIGURES

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

1.19 FRUITLESS AND WASTEFUL EXPENDITURE

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

Fruitless and wasteful expenditure is recognised in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense.

1.20 IRREGULAR EXPENDITURE

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

(a) the PFMA as amended;
(b) the Skills Development Act (the Act), 1998 (Act No 97 of 1998) as amended

Irregular expenditure is recognised in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/or before finalisation of the financial statements is recorded in the irregular expenditure register and disclosed in the notes to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is awaited at year-end is recorded in the irregular expenditure register and disclosed as irregular expenditure awaiting condonement in the notes to the financial statements. Where irregular expenditure was incurred in a previous financial year and is condoned only in the following financial year, the register and the disclosure note to the financial statements are updated with the amount condoned during the year under review.

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

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

1.21 SEGMENT INFORMATION

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by INSETA. The major classifications of activities identified in budget documentation would usually reflect the segments for which INSETA reports information to management. Segment information is either presented based on service or geographical segments.

Service segments relate to a distinguishable component of INSETA that provides specific outputs or achieves particular operating objectives that are in line with INSETA's overall mission. INSETA's service segments are mandatory, discretionary and administration activities. These segments are based on the Skills Development Levies Act, 1999 and the SETA Grant Regulations.

1.22 BUDGET INFORMATION

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

The approved budget covers the fiscal period from 01/04/2019 to 31/03/2020.

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

1.23 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Transactions with related parties are disclosed in the notes to the annual financial statements. Refer to note 22.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 EVENTS AFTER REPORTING DATE

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

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

INSETA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred. INSETA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

The entity adopted the following standards and interpretations during the year under review:

GRAP 20: RELATED PARTIES

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The adoption of this standard has not had a material impact on the results of the entity, but has resulted in more disclosure than would have previously been provided in the financial statements. Refer to note 23.

GRAP 108: STATUTORY RECEIVABLES

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

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The adoption of this standard has not had an impact on the results of the entity. During the current and previous financial years, INSETA received all statutory revenue (skills development levy income) before the end of each financial year. All relevant disclosures will be made in the financial statements should such income not be received before financial year end in subsequent periods.

2.2 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

Standard/interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP1: Applying the probability test on initial recognition of revenue	01 April 2020	Unlikely there will be a material impact
• IGRAP20: Accounting for adjustments to revenue		
• GRAP104: Financial instruments (revision)		Not expected to impact results but may result in additional disclosure

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Notes	2020 R'000	2019 R'000
CURRENT ASSETS			
Deposits		1 384	1 065
Staff debtors	3.1	18	21
Interest receivable		1	255
Prepayments	3.2	1 003	2 066
Sundry receivables	3.3	132	2
		2 538	**3 409**

3.1 STAFF DEBTORS

Advances and other amounts receivable from employees	18	21

3.2 PREPAYMENTS

Prepayments	1 003	2 066

The significant decrease in prepayments is due to international travel expenses that were paid for in advance during March 2019.

3.3 SUNDRY RECEIVABLES

Sundry receivables	132	2

Sundry receivables relate mainly to payments made to SARS and revisions to previously submitted returns which were later adjusted resulting in amounts receivable from SARS. These credits will be used in subsequent payroll tax returns.

The effect of discounting, where applicable, was considered and found to be immaterial given the short-term nature of all receivables. The carrying amount approximates the fair value for each class of receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Notes	2020 R'000	2019 R'000
Employer receivables	4.1	1 683	1 847
Discretionary receivables	4.2	6 210	6 432
		7 893	**8 279**

4.1 EMPLOYER RECEIVABLES

Overpayments to employers	1 929	2 074
Allowance for impairment	(246)	(227)
	1 683	**1 847**

R1 929 000 (2019: R2 074 000) was recognised as a receivable relating to grant overpayments to levy-paying employers in prior periods as a result of levy income reversals done by SARS after grants had been paid. An amount of R246 000 (2019: R227 000) was provided for as an allowance for impairment. The above receivables do not meet the definition of statutory receivables as per Grap 108.

4.2 DISCRETIONARY RECEIVABLES

Discretionary receivables	6 210	7 592
Allowance for impairment	-	(1 159)
	6 210	**6 433**

R6 210 000 (2019: R7 592 000) recognised as discretionary receivables relates to refunds owed by employers for expenditure incurred by INSETA on discretionary projects. An amount of RNil (2019: R1 159 000) was provided for as an allowance for impairment.

5. CASH AND CASH EQUIVALENTS TRANSACTIONS

CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash on hand	3	1
Bank balances	1 486	66 069
Short-term deposits	552 880	515 130
	554 369	**581 200**

All bank accounts were approved by National Treasury in terms of National Treasury Regulation 31.2. The weighted average interest rate on short-term deposits was 6.07% (2019: 7.06%) as at 31 March. Surplus funds were invested in line with the SETA's investment policy as required by National Treasury Regulation 31.3.5. Short-term deposits refer to funds invested with the Corporation for Public Deposits (CPD).

6. PROPERTY PLANT AND EQUIPMENT

	2020			2019		
	Cost/valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Office furniture	1 616	(748)	868	1 508	(683)	825
Motor vehicles	292	-	292	-	-	-
Office equipment	357	(102)	255	343	(86)	257
Computer equipment	3 750	(613)	3 137	2 906	(441)	2 465
Other fixtures	2 009	(1 841)	168	2 009	(1 834)	175
TOTAL	**8 024**	**(3 304)**	**4 720**	**6 766**	**(3 044)**	**3 722**

RECONCILIATION OF PROPERTY PLANT AND EQUIPMENT – 2020

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Office furniture	825	107	-	(64)	868
Motor vehicles	-	292	-	-	292
Office equipment	257	13	-	(15)	255
Computer equipment	2 465	874	(28)	(174)	3 137
Other fixtures	175	-	-	(7)	168
	3 722	**1 286**	**(28)**	**(260)**	**4 720**

RECONCILIATION OF PROPERTY PLANT AND EQUIPMENT – 2019

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Office furniture	827	73	(15)	(60)	825
Office equipment	254	27	(8)	(16)	257
Computer equipment	1 975	713	(92)	(131)	2 465
Other fixtures	177	76	-	(78)	175
	3 233	**889**	**(115)**	**(285)**	**3 722**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2020 R'000	2019 R'000
PLEDGED AS SECURITY		
CARRYING VALUE OF ASSETS UNDER FINANCE LEASE		
Office furniture	-	71
COMPENSATION RECEIVED FOR LOSSES ON PROPERTY, PLANT AND EQUIPMENT		
Computer equipment	27	13

7. INTANGIBLE ASSETS

	2020			2019		
	Cost/valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/valuation	Accumulated amortisation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software licences	15	(14)	1	343	(214)	129

RECONCILIATION OF INTANGIBLE ASSETS – 2020

	Opening balance R'000	Amortisation R'000	Total R'000
Computer software licences	129	(128)	1

RECONCILIATION OF INTANGIBLE ASSETS – 2019

	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Computer software licences	228	15	(174)	129

PLEDGED AS SECURITY

No intangible assets were pledged as security for liabilities.

8. FINANCE LEASE OBLIGATION

	2020	2019
	R'000	R'000
MINIMUM LEASE PAYMENTS DUE		
- within one year	-	18
PRESENT VALUE OF MINIMUM LEASE PAYMENTS DUE		
- within one year	-	18

Furniture was leased under finance lease during the previous year. The lease term was 1 year and the average effective borrowing rate was 0%.

Interest rates were fixed at the contract date and the lease had fixed repayments with no escalation. No contingent rent was paid or payable.

The entity's obligations under finance lease were secured by the lessor's charge over the leased assets. Refer note 6.

9. PAYABLES FROM EXCHANGE TRANSACTIONS

Accrued administration expenses and creditors	1 838	4 927
Accrued leave pay	1407	1 790
	3 245	**6 717**

The effect of discounting, where applicable, was considered and found to be immaterial given the short-term nature of these payables. The carrying amount approximates the fair value for each class of payables.

10. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Skills development grants payable	1 230	14 431
Project creditors	32 032	22 215
	33 262	**36 646**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

11. PROVISIONS

RECONCILIATION OF PROVISIONS – 2020

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
	R'000	R'000	R'000	R'000	R'000
Bonus provision	2 423	2 936	(2 423)	-	2 936
Provision for workmen's compensation contributions	228	-	(228)	-	-
Provision for levies received from exempt employers	2 929	637	-	(608)	2 958
TOTAL	**5 580**	**3 573**	**(2 651)**	**(608)**	**5 894**

RECONCILIATION OF PROVISIONS – 2019

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
	R'000	R'000	R'000	R'000	R'000
Bonus provision	2 026	2 423	(2 026)	-	2 423
Provision for workmen's compensation contributions	-	228	-	-	228
Provision for levies received from exempt employers	2 790	617	-	(478)	2 929
TOTAL	**4 816**	**3 268**	**(2 026)**	**(478)**	**5 580**

Bonus provision is calculated using the total cost of employment and is based on employee performance evaluations.

An amount of R2 958 000 (2019: R2 929 000) relates to levies received from employers exempt from contributing SDL in terms of legislation changes which came into effect from 1 August 2005. As SARS collects the levies on behalf of DHET, the responsibility to refund the levies to the levy-paying employers remains with SARS.

In terms of Skills Development Circular No 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190 (4) of the Tax Administration Act. R608 000 (2019: R478 000) has been transferred to discretionary funds in line with the aforementioned circular.

A provision of RNil (2019: R228 000) has been recognised for contributions towards workmen's compensation.

12. SURPLUS

ALLOCATION OF SURPLUS TO RESERVES – 2020

	Administration reserve	Employer grant reserve	Discretionary reserve	Total
	R'000	R'000	R'000	R'000
Skills development levy: Administration income	70 363	-	-	70 363
Skills development levy: Mandatory grant income	-	133 981	-	133 981
Skills development levy: Discretionary grants income	-	-	332 445	332 445
Skills development levy: Penalties and interest	-	-	10 906	10 906
Interest income	-	-	36 366	36 366
Other income	199	-	315	514
	70 562	133 981	380 032	584 575
Administration expenses	(60 686)	-	-	(60 686)
Employer grants	-	(120 583)	-	(120 583)
Project expenses	-	-	(423 684)	(423 684)
	9 876	**13 398**	**(43 652)**	**(20 378)**

ALLOCATION OF SURPLUS TO RESERVES – 2019

	Administration reserve	Employer grant reserve	Discretionary reserve	Total
	R'000	R'000	R'000	R'000
Skills development levy: Administration income	65 927	-	-	65 927
Skills development levy: Mandatory grant income	-	125 877	-	125 877
Skills development levy: Discretionary grants income	-	-	310 541	310 541
Skills development levy: Penalties and interest	-	-	4 910	4 910
Interest income	-	-	33 257	33 257
Other income	-	-	227	227
	65 927	125 877	348 935	540 739
Administration expenses	(56 470)	-	-	(56 470)
Employer grants	-	(113 185)	-	(113 185)
Project expenses	-	-	(239 834)	(239 834)
	9 457	**12 692**	**109 101**	**131 250**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

13. INTEREST INCOME

	Notes	2020 R'000	2019 R'000
INTEREST REVENUE			
Short-term deposits		36 366	33 254
Rental deposit		-	3
		36 366	**33 257**

14. OTHER INCOME FROM EXCHANGE TRANSACTIONS

Recoveries	514	227

Recoveries relate to amounts paid and recovered from employees and suppliers.

15. SKILLS DEVELOPMENT LEVY: INCOME

Administration levy income	70 363	65 927
Discretionary grants income	332 445	310 541
Mandatory grants income	133 981	125 877
	536 789	**502 345**

16. DISCRETIONARY GRANTS

Direct project expenses	399 754	222 717
Project administration expenses	23 930	17 117
	423 684	**239 834**

The increase in discretionary grants paid in 2020 compared to 2019 is due to the commitment balances of R448 million as at March 2019, which were paid in the current year, compared to commitments of R178 million as at March 2018 and which were paid in the 2019 financial year.

17. EMPLOYER GRANTS

Employer grants	120 583	113 185

Employer grants are amounts paid to qualifying employers in terms of the Skills Development Levies Act.

18. ADMINISTRATION EXPENSES

	Notes	2020 R'000	2019 R'000
Advertising, marketing and communications		1 653	1 826
Allowance for impairment of receivables		19	139
Audit committee remuneration		680	735
Board and sub-committee remuneration		1 673	1 813
Cleaning expenses		147	59
Consulting and professional fees		7 207	9 033
Depreciation and amortisation		388	459
Employee-related costs	18.1	28 169	23 023
External auditor's remuneration		2 821	2 606
Interest paid		18	-
Governance-related costs		477	122
Internal audit fees		1 585	950
Legal fees		308	312
Licences		345	245
Loss on disposal of property, plant and equipment		28	103
Operating lease rentals		4 960	4 846
Other expenses		764	541
Postage and courier		193	474
Printing and stationery		278	372
Professional indemnity insurance		22	20
Quality Council for Trades and Occupations		3 354	3 221
Recruitment fees		339	94
Refreshments		520	117
Repairs and maintenance	18.2	291	471
Security expenses		699	599
Telephones		551	996
Training and development		989	1 188
Travel and subsistence		1 382	1 435
Utilities		826	671
		60 686	**56 470**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

18. ADMINISTRATION EXPENSES (CONTINUED)

	Notes	2020 R'000	2019 R'000
18.1 EMPLOYEE-RELATED COSTS			
Basic salaries		23 335	18 258
Bonuses		3 328	2 607
Employee wellness		394	96
Leave pay		(97)	723
Long-term employee benefits		626	458
Medical aid subsidy		243	248
SDL		246	207
Temporary staff		20	363
UIF		74	63
		28 169	**23 023**

Refer to note 22 for Board and key management remuneration.

18.2 REPAIRS AND MAINTENANCE			
Repairs and maintenance		291	471

The above relates mainly to office maintenance and repairs to property owned by the landlord.

19. CASH (USED IN)/GENERATED FROM OPERATIONS

	2020 R'000	2019 R'000
(Deficit)/surplus	(20 378)	131 250
ADJUSTMENTS FOR:		
Depreciation and amortisation	388	459
Movements in operating lease assets/liabilities	(293)	350
Movements in provisions	314	764
Loss on disposal of property, plant and equipment	28	103
Impairment of receivables	19	139
CHANGES IN WORKING CAPITAL:		
Inventories	13	16
Receivables from exchange transactions	871	(2 290)
Receivables from non-exchange transactions	367	1 539
Payables from exchange transactions	(3 472)	422
Payables from non-exchange transactions	(3 384)	(12 274)
	(25 527)	**120 488**

20. COMMITMENTS

	2020 R'000	2019 R'000
OPERATING LEASES – AS LESSEE (EXPENSE)		
Minimum lease payments due		
within one year	-	5 005

Operating lease payments relate to buildings used for office space, leases in relation to office equipment and storage space rental. The average term is 2 years. No contingent rent is payable.

OTHER OPERATIONAL COMMITMENTS		
Minimum payments due	4 322	9 531

DISCRETIONARY PROJECTS

Of the balance of R522 278 000 (2019: R543 520 000) available in the discretionary reserve, R518 268 000 (2019: R481 054 000) has been committed.

Refer to Annexure A for detailed commitments schedule.

21. CONTINGENCIES

CONTINGENT LIABILITIES

SURPLUS FUNDS

In terms of section 53(3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. In September 2020 National Treasury Issued Instruction No 12 of 2020/2021, effective for surpluses realised in the 2019/2020 financial year and for all surpluses realised thereafter, which provides guidance on the determination of surpluses as follows:

	2020 R'000	2019 R'000
Cash and cash equivalents at the end of the year	554 369	581 200
Add: Receivables	10 431	11 688
Less: Current liabilities	(42 401)	(49 254)
Less: Discretionary projects commitments	-	(481 054)
SURPLUS	**522 399**	**62 580**

UNCOMMITTED SURPLUSES

The surplus of R522 399 000 does not include R518 268 000 contractual commitments for discretionary expenditure which existed at the reporting date. Refer to note 20 and Annexure A to these annual financial statements. When these commitments are included in the determination of cash surpluses, the cash surplus is R4 131 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

21. CONTINGENCIES (CONTINUED)

FIRST-TIME EMPLOYER REGISTRATIONS

The Skills Development Act 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 additional mandatory grant expenditure of R121 000 (2019: R127 000) will be payable. The amount is contingent on the number of submissions received and approved.

LITIGATION

A company that responded to an advert for the provision of secretariat services to the INSETA Board to the value of R2 363 000 instituted claims against INSETA after it was not selected for the provision of those services. At the reporting date, the matter was being addressed by legal representatives but was subsequently resolved.

MINISTER OF HIGHER EDUCATION AND TRAINING VS BUSINESS UNITY SOUTH AFRICA (BUSA) MATTER

In December 2012, the Minister repealed the 2005 Grant Regulations and promulgated 2012 Grant Regulations. Regulation 4(4) of the 2012 Grant Regulations reduced the mandatory grant that an employer could claim back from 50% to 20% of the total levies paid by the employer. The manner in which the 2012 Grant Regulations was promulgated, amongst others matters, led to litigation begun by BUSA (Business Unity South Africa), at the Labour Court. The Labour Court declared the Regulation to be invalid and consequently set aside, with suspension of the order until March 2016. Prior to the order coming into effect, the Regulation was re-promulgated in January 2016, to which BUSA launched renewed review proceedings in the Labour Court to set the re-promulgated regulation aside. The Labour Court dismissed the review application and BUSA decided to appeal the decision through the Labour Appeal Court (LAC). During October 2019, the LAC ruled that the decision to re-promulgate Regulation 4(4) was "irrational and lacking in any legal justification". The regulation as re-promulgated in 2016, was consequently set aside.

Despite the said regulation being set aside, the LAC ruling is silent on both the percentage quantum that can be claimed back by employers and on the effective date of the order. The effect of the ruling is that the Minister, in consultation with employers and BUSA, would have to decide on the percentage for mandatory grants in consultation with the sector, and these accordingly must be published in the Government Gazette. To date, there has been no communication regarding the approved mandatory grant percentage that can be claimed back by employers. These circumstances create uncertainty as to the percentage of mandatory grants that can be paid and/or accrued by the SETA during the year under review. Post the ruling, DHET continues to split the mandatory grant levy income portion at a rate of 20% in the monthly levy download information. Consequently, the SETA has continued to pay and accrue mandatory grants at 20% in the 2019/2020 financial year, which is also aligned to the approved annual performance plan. The mandatory grant expenditure in note 17 as well as the mandatory grant liability in note 10 were calculated at a rate of 20%.

Pending the final agreement between the Minister and the employers (through BUSA) on the approved rate, there is therefore a possible liability or asset due to additional or lesser grant payments over or under the amounts already paid and accrued in the current year based on a payment rate of 20%.

Given the initial review application at the Labour Court whereby BUSA cited that the mandatory grant reduction is irrational and unreasonable, as well as latter reports by business arguing that the LAC judgement would revert to the original position, it is therefore remotely likely that there would be a contingent asset. It is therefore submitted that the likelihood of a possible liability is greater, which can only from the outcome be confirmed from the agreements between the Minister and employers. The amount of the possible obligation cannot be reliably estimated due to the uncertainty of the approved rate, as well as the effective date of application. In addition, the entity has had no experience in similar transactions to be able to reasonably estimate the outcome of the events nor the amount.

CONTINGENT ASSETS

INSETA has a claim against a service provider for possible over-invoicing by the service provider. The amount recoverable could not be determined with sufficient reliability at the reporting date, and up to the date of approval of these financial statements as INSETA's legal counsel advised that a response was awaited from the service provider. The matter has not been finalised.

22. RELATED PARTIES

RELATIONSHIPS

Controlling entity	Department of Higher Education, Science and Innovation
Entities under common control	By virtue of INSETA being a national public entity controlled by the DHET, it is considered to be related to other SETAs, QCTO, NSF and entities within the sphere of national government.
Executive management	Starr N (CEO) Molapo D (CFO) Peele TJ (COO)

	2020 R'000	2019 R'000
RELATED PARTY BALANCES		
The nature of balances receivable from/owing to related parties is as follows:		
A provision has been recognised for the liability in respect of levies received from employers who have transferred to other SETAs. These levies are payable to the SETA which such employers have transferred to once confirmed.	198	653
A liability exists for verification services provided by the South African Qualifications Authority (SAQA).	2	-
Discretionary grants payable to TVET colleges and public universities for learnerships in line with INSETA's manadate.	3 245	9 304
Included in commitments is an amount of R150 770 000 (2019: R94 289 000) in respect of contractual commitments to TVETs and public universities and R14 842 000 (2019: R5 889 000) in respect of contractual commitments to other public sector organisations.		

The above liabilities are payable in monetary terms, are not secured, and no guarantees have been given.

	2020 R'000	2019 R'000

RELATED PARTY TRANSACTIONS

The nature of transactions with related parties is as follows:

Levies recieved from/paid to other SETAs in respect of employers who transferred to/from INSETA.

Annual levy paid to QCTO

Transfers received from the controlling entity

Mandatory grants paid to other public organisations in accordance with the Skills Development Levies Act.

Discretionary grabts paid to TVET colleges, public universities and other public sector organisations in the ordinary course of INSETA's business

Administrative expenses such as printing and verifications paid to other organisations in the public sector

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 R'000	2019 R'000
REMUNERATION OF BOARD MEMBERS			
Conradie G		60	76
D'Alton A		78	124
Dinyake S		60	25
Govender RG		90	133
Hollis L		151	121
Khoza A		142	148
Machai M		149	136
McKay B		138	143
Mokgobinyane MV (Chairperson)		204	263
Motlhabane R		73	91
Pearson V		69	69
Ramputa I		91	93
Rangasamy B		-	9
Ramsunder J		99	130
Soobramoney M		117	96
Van Rensburg WH Adv		152	156
		1 673	**1 813**

The above represents fees paid or accrued to Board members for all committees on which they sit. This disclosure excludes the remuneration of independent audit committeee members, which is reported in the corporate governance section of the annual report. Independent audit committee members do not have authority and responsibility for planning, directing and controlling the activities of INSETA and are therefore not considered to be related parties.

No other short-or long-term benefits were paid to Board members.

REMUNERATION OF EXECUTIVE MANAGEMENT – 2020

	Basic salary	Bonuses and performance -related payments	Other short-term benefits	Total
	R'000	R'000	R'000	R'000
Starr N	1 881	315	-	2 196
Molapo D	1 773	300	12	2 085
Peele TJ****	750	-	6	756
	4 404	**615**	**18**	**5 037**

REMUNERATION OF EXECUTIVE MANAGEMENT – 2019

	Basic salary and allowances	Bonuses and performance -related payments	Total
	R'000	R'000	R'000
Dunn S*	1 033	274	1 307
Molapo D	1 773	162	1 935
Peele T**	535	-	535
Starr N***	313	-	313
	3 654	**436**	**4 090**

There were no other short-or long-term benefits paid or payable to management.

* Terminated 30 September 2018.
** Acting Chief Executive Officer from 01 October 2018 to 31 January 2019.
*** Chief Executive Officer from 01 February 2019.
**** Chief Operating Officer from 01 October 2019.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

23. RECLASSIFICATION OF COMPARATIVE FIGURES

Due to higher amounts incurred in the current financial year, the following expenses have been reclassified to achieve fair presentation of administration costs:

1. Security costs, licence fees and cleaning costs have been disclosed separately in the note to administration expenditure. These were disclosed as part of "Other expenses" in previous years.

2. Water and electricity expenses have been disclosed separately as utilities in the note to administration expenditure. These were disclosed as part of maintenance costs in previous years.

   Due to the reclassification of project payables from exchange to non-exchange payables, related receivables emanating from recoverable project expenses have been reclassified.

3. Discretionary receivables and related allowances for impairment which were disclosed as receivables from exchange transactions in the previous year have been reclassified to receivables, from non-exchange transactions to conform to the amended disclosure of discretionary projects, as non-exchange transactions.

   To achieve fairer presentation of employer grants and project expenses, these have been disclosed separately on the face of the statement of financial performance.

4. Employer grants and discretionary grants were previously disclosed as a single amount on the statement of financial performance and listed individually in the notes to the financial statements. These have been disclosed as separate line items on the statement of financial position.

The effects of the reclassification are as follows:

	Notes	2020 R'000	2019 R'000
OTHER EXPENSES			
Security expenses		-	599
Licences		-	245
Cleaning expenses		-	59
Other expenses		-	(903)
REPAIRS AND MAINTENANCE			
Utilities		-	671
Repairs and maintenance		-	(671)
DISCRETIONARY RECEIVABLES			
Receivables from non-exchange transactions		-	6 432
Receivables from exchange transactions		-	(6 432)
EMPLOYER GRANTS AND PROJECT EXPENSES			
Employer grants		-	113 185
Discretionary grants		-	239 834
Employer grants and project expenditure		-	(353 019)
		-	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

24. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

All financial instruments are classified as financial assets and liabilities at amortised cost.

	2020	2019
	R'000	R'000
FINANCIAL ASSETS		
Receivables from exchange transactions	1 385	1 320
Receivables from non-exchange transactions	6 210	6 432
Cash and cash equivalents	554 369	581 200
	561 964	**588 952**
FINANCIAL LIABILITIES		
Payables from exchange transactions	1 838	4 756
Payables from non-exchange transactions	32 032	22 215
	33 870	**26 971**

The above excludes non-financial instruments disclosed as part of receivables and payables from exchange and non-exchange transactions. Refer to note 25 for additional information.

25. FINANCIAL INSTRUMENTS RISK MANAGEMENT

LIQUIDITY RISK

Liquidity risk is the risk of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. INSETA manages liquidity risk through ongoing review of future commitments, capital expenditure, expenditure against budgets and forecasts, maintenance of reserves, and through its cash management policy, which requires the maintenance of adequate cash and cash equivalents to meet obligations.

	Carrying amount	Contractual cashflows	6 months or less	6-12 months	More than 2 years
	R'000	R'000	R'000	R'000	R'000
2020					
Payables from exchange and non-exchange transactions	(33 870)	(33 870)	(33 870)	-	-
2019					
Payables from exchange and non-exchange transactions	(26 971)	(26 971)	(26 971)	-	-

The above excludes non-financial instruments disclosed in notes 9 and 10, namely employee-related liabilities and skills development grants payable.

CREDIT RISK

Financial assets, which potentially expose INSETA to the risk of non performance by counterparties, i.e credit risk, consist mainly of cash and cash equivalents deposited with financial institutions and receivables from exchange and non-exchange transactions.

INSETA's credit risk is limited by investing funds only with the Corporation for Public Deposits as approved by National Treasury in terms of Treasury Regulation (TR 28). INSETA's exposure is continuously monitored by the executive committee.

Credit risk with respect to levy-paying employers is limited due to the nature of the income received. INSETA does not have any material exposure to any individual or counterparty. INSETA's concentration of credit risk is limited to the industry in which it operates. No events occurred in the industry during the year under review which may have a significant impact on accounts receivable that have not been provided for. Receivables are presented net of allowance for doubtful debt.

Financial assets exposed to credit risk at year-end were as follows:

	Note	2020 R'000	2019 R'000
FINANCIAL INSTRUMENT			
Receivables from exchange transactions	3	1 384	1 065
Receivables from exchange transactions	3	1	255
Receivables from non-exchange transactions	4.2	6 210	6 432
Cash and cash equivalents (excludes cash on hand)	5	554 366	581 199

The ageing of receivables and related allowance for impairment at the reporting date is as follows:

AGEING OF RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS – 2020

	Gross R'000	Impairment R'000	Net R'000
Not past due	1 385	-	1 385
Past due	6 210	-	6 210
	7 595	**-**	**7 595**

AGEING OF RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS – 2019

	Gross R'000	Impairment R'000	Net R'000
Not past due	7 752	-	7 752
Past due	1 159	(1 159)	-
	8 911	**(1 159)**	**7 752**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

INSETA is exposed to fluctuations in the employment market such as sudden increases in unemployment and changes in wage rates. INSETA is not aware of significant events which may have occurred in the market during the year under review. There are adequate procedures in place to address changes in the market when necessary.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Exposure to cash flow interest rate risk and effective interest rates on financial instruments at the reporting date is

CASH FLOW INTEREST RATE RISK – 2020

	Floating rate	Non-interest bearing	Total
	R'000	R'000	R'000
Cash and cash equivalents	554 366	3	554 369
Receivables from exchange and non-exchange transactions	7 595	-	7 595
Payables from exchange and non-exchange transactions	(1 838)	(32 032)	(33 870)
	560 123	**(32 029)**	**528 094**

CASH FLOW INTEREST RATE RISK – 2019

	Floating rate	Non-interest bearing	Total
	R'000	R'000	R'000
Cash and cash equivalents	581 199	1	581 200
Receivables from exchange and non-exchange transactions	7 752	-	7 752
Payables from exchange and non-exchange transactions	(4 756)	(22 215)	(26 971)
	584 195	**(22 214)**	**561 981**

FAIR VALUE INTEREST RATE RISK

INSETA's financial instruments consist mainly of cash and cash equivalents, receivables from exchange and non-exchange transactions and payables from exchange and non-exchange transactions. No financial instruments were carried at an amount in excess of their fair values.

The carrying amount of each class of financial instruments approximates their fair value due to the relatively short-term maturity of these financial instruments.

26. GOING CONCERN

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

There are no known instances that cast doubt on INSETA's ability to continue as a going concern.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

27. EVENTS AFTER THE REPORTING DATE

The following non-adjusting events are to be noted:

Covid-19 was declared a pandemic by the World Health Organisation (WHO) during the period under review.This pandemic resulted in a nationwide lockdown during March 2020 which forced employees to work remotely. The financial impact of measures taken in response to the pandemic and the lockdown will occur and be reported in the subsequent year. Those measures are expected to impact the SETA's revenue and its administrative capacity.

During May 2020, an SDL payment holiday was announced by the President as part of the Covid-19 relief measures to alleviate economic burden on employers which could result from the abovementioned nationwide lockdown. This meant that employers do not have to pay SDL to SARS for 4 months beginning in June 2020. As SDL is the SETA's main source of income, a significant decline in revenue for the next financial year is expected. This is unlikely to impact INSETA's ability to continue as a going concern in the forseeable future.

28. FRUITLESS AND WASTEFUL EXPENDITURE

	2020 R'000	2019 R'000
Opening balance	-	1
Add: Fruitless and wasteful expenditure incurred in the current year	17	2
Less: Amounts recovered	(16)	(3)
	1	**-**

Fruitless and wasteful expenditure of R17 867 incurred in the current year relates to interest charged on late payment of payroll taxes and workmen's compensation fund. R16 440 was recovered from the service provider responsible for the errors and omissions, which resulted in interest charges. At the reporting date, recoverability of the balance of R1 427 had not been finalised.

In the prior year, fruitless and wasteful expenditure of R2 285 was incurred. Of this amount, R15 related to interest on late payments and R2 270 was for cancelled tender advertisements. The full amount was recovered from employees during 2019.

29. IRREGULAR EXPENDITURE

	2020 R'000	2019 R'000
Opening balance	43	339
Add: Irregular expenditure – current year	352	43
Less: Amounts recovered	-	(339)
	395	**43**

DETAILS OF IRREGULAR EXPENDITURE – CURRENT YEAR

A service provider was appointed through the supply chain management process to commence with service delivery in July 2018. As INSETA was in a transition process between the former CEO and the then Acting CEO during the period July 2018 to November 2018, the service level agreement was signed in November 2018. The service provider continued to provide services during the said transition period and received payments totalling R352 105 disclosed above. Investigations still to be done.

As at the reporting date, feedback from National Treasury for the condonment of prior-year irregular expenditure of R43 000 was awaited. The full amount was condoned after the reporting date.

R1 500 irregular expenditure was incurred in the acquisition of personal protective equipment at a price higher than the National Treasury-approved price per unit. The supplier was also not registered on the Department of Small Business Development as required by National Treasury. As at the reporting date, the amount had not been condoned by National Treasury.

30. OTHER LOSSES

Unsuccessful legal claims	950	134

The above relates to matters where INSETA contested the acceptability of deliverables from service providers and attempts to hold those service providers financially accountable proved unsuccessful.

31. BUDGET DIFFERENCES

DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

The excess of actual revenue or expenditure over the budget is considered significant if it is above 10%.

31.1 OTHER INCOME FROM EXCHANGE TRANSACTIONS

Other income from exchange transactions relates to recoveries from staff and suppliers. These are 257% above the revised budget of R144 000 due to unforeseen recoveries after the budget adjustment.

31.2 INTEREST INCOME

Interest income is 0.36% above budget and is considered reasonable.

31.3 SKILLS DEVELOPMENT LEVY: INCOME

Skills Development Levy income is 3% higher than the budget and is considered reasonable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

31. BUDGET DIFFERENCES (CONTINUED)

31.4 SKILLS DEVELOPMENT LEVY: PENALTIES AND INTEREST

Income from penalties and interest is 122% higher than budget. There are no identifiable past trends to reliably estimate revenue from penalties and interest as this emanates from default by employers in the submission of statutory returns. This revenue was underestimated at the time of budgeting.

31.5 DISCRETIONARY GRANTS

Discretionary grants are 11% lower than budget. This is mainly due to expenditure on discretionary grants not incurred in line with the revised budget.

31.6 EMPLOYER GRANTS

Employer grants are 3% higher than budget and considered reasonable.

31.7 ADMINISTRATION EXPENSES

Administration expenses are 3% lower than budget and considered reasonable.

Administration expenses are limited to 10.5% of the administration portion of skills development levy income. This legislative limit has not been exceeded.

32. SEGMENT INFORMATION

GENERAL INFORMATION

IDENTIFICATION OF SEGMENTS

INSETA reports to management on the basis of three functional segments, namely administration, mandatory and discretionary. Management uses these segments in determining strategic objectives and allocating resources.

Reporting based on these segments is also appropriate for external reporting purposes.

32. SEGMENT INFORMATION (CONTINUED)

SEGMENT SURPLUS OR DEFICIT, ASSETS AND LIABILITIES – 2020

	Administration R'000	Mandatory R'000	Discretionary R'000	Total R'000
REVENUE				
REVENUE FROM EXCHANGE TRANSACTIONS				
Interest income	-	-	36 366	36 366
Other income from exchange transactions	199	-	315	514
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Skills development levy: Income	70 363	133 981	332 445	536 789
Skills development levy: Penalties and interest	-	-	10 906	10 906
TOTAL SEGMENT REVENUE	**70 562**	**133 981**	**380 032**	**584 575**
ENTITY'S REVENUE				**584 575**
EXPENDITURE				
Administration expenses	60 686	-	-	60 686
Employer grants and project expenses	-	120 583	423 684	544 267
TOTAL SEGMENT EXPENDITURE	**60 686**	**120 583**	**423 684**	**604 953**
TOTAL SEGMENTAL DEFICIT				**(20 378)**
ASSETS				
Non-current assets	4 721	-	-	4 721
Receivables from exchange transactions	2 538	-	-	2 538
Receivables from non-exchange transactions	-	1 683	6 210	7 893
Cash and cash equivalents	3 643	2 626	548 100	554 369
TOTAL SEGMENT ASSETS	**10 902**	**4 309**	**554 310**	**569 521**
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION				**569 521**
LIABILITIES				
Payables from exchange transactions	3 245	-	-	3 245
Payables from non-exchange transactions	-	1 230	32 032	33 262
Provisions	2 936	2 958	-	5 894
TOTAL SEGMENT LIABILITIES	**6 181**	**4 188**	**32 032**	**42 401**
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION				**42 401**

32. SEGMENT INFORMATION (CONTINUED)

SEGMENT SURPLUS OR DEFICIT, ASSETS AND LIABILITIES – 2019

	Administration	Mandatory	Discretionary	Total
	R'000	R'000	R'000	R'000
REVENUE				
REVENUE FROM EXCHANGE TRANSACTIONS				
Interest income	-	-	33 257	33 257
Other income from exchange transactions	-	-	227	227
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Skills development levy: Income	65 927	125 877	310 541	502 345
Skills development levy: Penalties and interest	-	-	4 910	4 910
TOTAL SEGMENT REVENUE	**65 927**	**125 877**	**348 935**	**540 739**
ENTITY'S REVENUE				**540 739**
EXPENDITURE				
Administration expenses	56 470	-	-	56 470
Employer grants and project expenses	-	113 185	239 834	353 019
TOTAL SEGMENT EXPENDITURE	**56 470**	**113 185**	**239 834**	**409 489**
TOTAL SEGMENTAL SURPLUS				**131 250**
ASSETS				
Non-current assets	3 851	-	-	3 851
Consumables	13	-	-	13
Receivables from exchange transactions	3 403	-	6 438	9 841
Receivables from non-exchange transactions	-	1 847	-	1 847
Cash and cash equivalents	6 263	15 640	559 297	581 200
TOTAL SEGMENT ASSETS	**13 530**	**17 487**	**565 735**	**596 752**
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION				**596 752**
LIABILITIES				
Finance lease obligation	18	-	-	18
Operating lease liability	293	-	-	293
Payables from exchange transactions	6 717	-	-	6 717
Payables from non-exchange transactions	-	14 431	22 215	36 646
Provisions	2 651	2 929	-	5 580
TOTAL SEGMENT LIABILITIES	**9 679**	**17 360**	**22 215**	**49 254**
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION				**49 254**

ANNEXURE A

COMMITMENT BALANCES

AS AT 31 MARCH 2020

PROJECT ID	PROGRAMME DESCRIPTION	31 MARCH 2019	NEW CONTRACTS	PAYMENTS	ADJUSTMENTS	YEAR-TO-DATE BALANCE 31 MARCH 2020
INPROJ000056	Internship Year 15	18 810.00	-	18 810.00		0.00
INPROJ000057	QCTO Qualification Implementation Pilot Project	300 843.88	-	335 492.98	34 649.10	-
INPROJ000073	Skills Programme for Youth Year 16/17	1 679 607.74	-	696 227.00	983 380.74	-
INPROJ000076	Learnership Year 16/17	976 640.00	-	-	932 640.00	44 000.00
INPROJ000078	Internships for Youth Year 16/17	415 000.00	-	-	415 000.00	-
INPROJ000081	Broker Development Year 16/17	1 378 713.62	45 069.66	1 423 783.28	-	0.00
INPROJ000091.02	NSFAS Bursaries	3 264 687.61	1 448 262.39	3 606 812.47	1 106 137.53	-
INPROJ000093.01	Top-up Internship for TVET 17/18	15 297 000.00	-	11 102 000.00	206 500.00	3 988 500.00
INPROJ000099	Learnership Year17/18	20 956 900.04	-	13 085 968.01	7 256 947.70	613 984.33
INPROJ000099.02	Learnership Centralisation	10 736 794.11	-	7 994 739.75	-	2 742 054.36
INPROJ000101	Internship Year 17/18	19 689 338.26	-	9 330 881.00	4 943 567.00	5 414 890.26
INPROJ000102	Skills Programmes For Youth Year 17/18	1 925 869.41	-	882 909.78	1 042 959.63	-
INPROJ000106	Bursaries For Workers Year 17/18	778 265.21	161 000.00	133 888.00	1 073 153.21	-
INPROJ000114	Internship for TVET College Learners 2018	18 823 331.68	210 000.00	13 319 202.78	971 579.09	4 742 549.81
INPROJ000115	Bursaries For Youth Year 18/19	57 497.89	-	-	57 497.89	0.00
INPROJ000115.01	Top-up Bursary for Youth	9 157 910.33	4 848 666.00	11 701 958.75	2 061 392.58	243 225.00
INPROJ000117	Actuarial Science Bursaries 18/19	586 201.13	-	586 201.13	-	0.00
INPROJ000118	Bursaries for SMME Workers Year 18/19	1 126 761.00	13 140.00	787 604.00	-	352 297.00
INPROJ000119	Bursaries For Workers Year 18/19	25 513 058.66	63 390.00	23 561 218.59	151 653.50	1 863 576.57

ANNEXURE A

PROJECT ID	PROGRAMME DESCRIPTION	31 MARCH 2019	NEW CONTRACTS	PAYMENTS	ADJUSTMENTS	YEAR-TO-DATE BALANCE 31 MARCH 2020
INPROJ000120	Skills Programme For Youth 18/19	4 415 079.32	-	2 096 344.00	500 748.00	1 817 987.32
INPROJ000121	Internship For Youth 18/19	72 103 500.00	-	43 876 900.00	504 000.00	27 722 600.00
INPROJ000122	Learnerships Year 18/19	69 610 200.00	40 000.00	46 220 266.65	1 288 000.00	22 141 933.35
INPROJ000123	Skills Programmes for Small Businesses and Cooperatives 18/19	5 654 107.00	27 855.00	2 485 957.00	1 180 295.00	1 960 000.00
INPROJ000123	Skills Programmes for Small Businesses and Cooperatives 18/19	22 500.00	-	-	22 500.00	-
INPROJ000124	Skills Programmes for Workers 18/19	10 177 385.00	-	4 042 505.00	6 134 880.00	-
INPROJ000126	Management and Leadership Development	9 632 740.00	-	9 476 200.00	-	156 540.00
INPROJ000132	Insurance Qualiffcation Re-Alignment and Sector Support	215 500.00	-	207 250.00	-	8 250.00
INPROJ000145	Exit Exam for Learnership and TVET Capacity Support 18/19	4 165 420.00	-	2 514 778.00	-	1 650 642.00
INPROJ000149	Skills Programmes for Small Businesses and Cooperatives 19/20	-	4 016 122.73	1 223 545.17	-	2 792 577.56
INPROJ000150	Skills Programmes for Workers 19/20	-	12 659 361.05	2 296 815.50	-	10 362 545.55
INPROJ000151	Internships for TVET Colleges and Universities of Technology 19/20	-	43 021 800.00	13 679 120.00	-	29 342 680.00
INPROJ000152	Bursaries for Youth Year 19/20	-	60 020 391.32	43 605 085.80	1 434 960,09	14 980 345.43
INPROJ000153	Learnerships Year 19/20	-	106 758 500.00	25 624 560.00	-	81 133 940.00
INPROJ000154	Bursaries for Workers Year 19/20	-	41 999 386.02	1 779 241.18	-	40 220 144.84
INPROJ000155	Internships for Youth Year 19/20	-	79 770 000.00	14 586 300.00	-	65 183 700.00
INPROJ000156	Skills Programmes for Youth Year 19/20		9 362 000.00	3 587 008.62	-	5 774 991.38
INPROJ000158	Regulatory Compliance Support 19/20		1 781 999.00	234 600.00	-	1 547 399.00
INPROJ000159	Occupational Qualification Implementation and RPL 19/20	-	11 012 160.00	3 476 235.00	-	7 535 925.00
INPROJ000160	Promotion of Insurance Year 19/20		3 537 416.00	902 163.58	-	2 635 252.42
INPROJ000161	Establisment of INSETA Research Chair Centre 19/20		32 522 292.00	2 665 625.00	-	29 856 667.00

PROJECT ID	PROGRAMME DESCRIPTION	31 MARCH 2019	NEW CONTRACTS	PAYMENTS	ADJUSTMENTS	YEAR-TO-DATE BALANCE 31 MARCH 2020
INPROJ000162	Actuarial Science Bursaries for Unemployed Youth 19/20		-	-	-	-
INPROJ000165	Broker Qualification – CAT052019	900 000.00	-	-	-	900 000.00
INPROJ000167	Broker Development	26 744 950.00	-	18 721 465.00	-	8 023 485.00
INPROJ000169	Continuous Professional Development	3 600 000.00	-	1 655 000.00	-	1 945 000.00
INPROJ000170	Development of Intermediaries CPD REs	2 985 000.00	-	1 719 360.00	-	1 265 640.00
INPROJ000171	Career Guidance	4 125 000.00	-	2 475 000.00	-	1 650 000.00
INPROJ000172	Technical Training for Unemployed Youth	12 540 653.00	-	7 524 392.00	-	5 016 261.00
INPROJ000173	Class of Business Online Training	2 000 000.00	-	1 000 000.00	-	1 000 000.00
INPROJ000174	Research Chair	5 000 000.00	-	1 804 332.00	-	3 195 668.00
INPROJ000175	NPO Regulatory Support	21 458 076.00	-	12 530 245.78	-	8 927 830.22
INPROJ000176	Rapid Incubator to Unlock Enterpreneurship	5 299 000.00	-	1 059 800.00	-	4 239 200.00
INPROJ000177	Articulation TVET to UWC	27 447 000.00	-	-	27 447 000.00	-
INPROJ000178	RPL for 300 Learners	650 000.00	-	110 000.00	-	540 000.00
INPROJ000179	Digitisation Skills Programmes	9 255 000.00	-	5 033 253.00	-	4 221 747.00
INPROJ000180	Disability Training Programme Development	1 754 000.00	-	526 200.00	-	1 227 800.00
INPROJ000181	Data Analyst Training	15 920 000.00	-	5 722 000.00	-	10 198 000.00
INPROJ000183	Bursary Top-up	-	17 026 310.00	16 992 270.00	34 040.00	-
INPROJ000195	Catalytic Programmes 19/20		35 299 930.00	-	-	35 299 930.00
INPROJ000196	Catalytic 20		63 788 162.71	-	-	63 788 162.71
		448 358 340.89	**529 377 503.88**	**399 753 739.80**	**59 714 182.86**	**518 267 922.11**
			Admin Expenditure	**23 930 488.17**		
				423 684 227.97		

VISION

Empowered to Influence and Inspire

MISSION

Harness technology and strategic partnership in pursuit of excellence to enable relevant, inclusive and impactful skills development; and be the bridge between education and the world of work by identifying skills in demand and providing agile and appropriate responses.

VALUES

- Respect – Diversity, inclusivity and trust
- Innovative – Agile and impactful solutions
- Collaborative – Unity and partnership
- Accountability – Ethical conduct
- Courageous leadership – Compassionate and empowering: "Empowered people empower people"
- Customer-centricity – Responsive and professional

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