inseta

INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY

Annual Report 2023|24

A footprint for Excellence

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

EXCELLENCE MODEL

MANDATE

SYSTEMS

IMPACT

PEOPLE

2023/2024
ANNUAL REPORT

NOBUHLE NKABANE
Minister of Higher Education, Science and Innovation

BUTI MANAMELA
Deputy Minister of Higher Education, Science and Innovation

MIMMY GONDWE
Deputy Minister of Higher Education, Science and Innovation

LIZELLE VAN DER MERWE
Accounting Authority

GUGU MKHIZE
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 2023 to 31 March 2024.

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I. INSETA's **GENERAL INFORMATION**

REGISTERED NAME	Insurance Sector Education and Training Authority
PHYSICAL ADDRESS	18 Fricker road Illovo 2196
POSTAL ADDRESS	PO Box 32035 Braamfontein 2017
TELEPHONE NUMBER/S	0027 11 381 8900
EMAIL ADDRESS	info@inseta.org.za
WEBSITE ADDRESS	www.inseta.org.za
EXTERNAL AUDITORS	Auditor-General South Africa
BANKERS	First National Bank
COMPANY/ BOARD SECRETARY	IKB Company Secretaries (Pty) LTD
ISBN NUMBER	978-0-621-51150-5

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DHET	Department of Higher Education and Training
PFMA	Public Finance Management Act
TR	Treasury Regulations
SCM	Supply Chain Management
NGP	National Growth Plan
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSA	National Skills Authority
NGO	Non-Government Organisation
NSF	National Skills Fund
NT	National Treasury
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PWDs	People with Disabilities
RPL	Recognition of Prior Learning
PFMA	Public Finance Management Act
QCTO	Quality Council for Trade and Occupations
SAQA	South African Qualifications Authority
SDP	Skills Development Provider
SETA	Sector Education and Training Authority
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SIC	Standard Industrial Classification
SME	Small and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WIL	Work Integrated Learning
WP-PSET	White Paper on Post School Education and Training
WSP	Workplace Skills Plan

3. FOREWORD BY THE CHAIRPERSON

L VAN DER MERWE
ACCOUNTING AUTHORITY

On behalf of the Insurance Sector Education and Training Authority (INSETA) Board, I take great pleasure in presenting the 2023/24 annual report. The purpose of this report is to demonstrate the efficient delivery of our skills development mandate and highlight the significant milestones and challenges that we overcame during the year under review. Furthermore, the report highlights the critical key focus areas aligned to the strategy of the SETA.

The Accounting Authority is satisfied with the integrity of the report and the assurance provided by various levels of our governance structures. INSETA's annual financial statements (AFS) were audited by the independent external auditor, the Auditor-General of South Africa (AGSA), whose audit report appears on pages 75 to 80. The financial statements were prepared according to the Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Authority and the SETA's guiding legal prescripts, the Skills Development Act (Act No 97 of 1998) and the Skills Development Levy Act (Act No 9 of 1999), as amended.

THE YEAR UNDER REVIEW

During the period under review, INSETA received eight local and international accolades for its contribution towards skills development. To name a few of these accolades, the institution was honored as the Best Training Institute, and its Chief Executive Officer (CEO), Ms. Gugu Mkhize, was recognized with prestigious leadership awards. She was named the Standard Bank Public Sector Leader for 2023 and the Institute of People Management (IPM) Business Leader of the Year for 2023, underscoring her exceptional and inspiring leadership. These recognitions affirm the SETA's relentless pursuit of excellence and impactfully deliver on its mandate.

It is also gratifying to report that INSETA successfully met 56 out of its 58 performance indicators, achieving an overall performance rate of 97%. The Board executed its fiduciary responsibilities in line with the SETA Constitution and was able to set the entity's priorities. The governance structures of the Board discharged their responsibilities diligently to enable such high performance. The strategy of the entity was aligned to the sectoral priorities, the National Development Plan (NDP), the National Skills Development Plan (NSDP), Industrial Policy Action Plan (IPAP), the Medium-Term Strategic Framework (MTSF), and all relevant national priorities and plans, have been the foundation of the SETA. One of the flagship projects which was implemented by the SETA is the Insurance Sector Student Fund, a critical tool which directly contributes to the alleviation of unemployment, poverty and inequality. The Fund supports Youth and Workers in the insurance industry to acquire scarce and critical skills which will grow the sector. To date the Fund has benefited approximately 500 beneficiaries who are studying at universities, universities of technology, and technical vocational and education training (TVET) colleges.

The footprint on the SETA was particularly expanded through the implementation of rural projects in provinces where there were minimal INSETA skills interventions in the past, namely in the Northern Cape, Free State, Mpumalanga and Limpopo. This was part of the broader strategy to create awareness about INSETA's programmes and promote insurance careers. As a dynamic organization, INSETA continuously seeks to innovate and adapt to the industry's changing needs. This dedication is embodied in the INSETA Excellence Model, collaboratively developed by the entire INSETA community, rooted in the four pillars of People, Systems, Mandate, and Impact, of this progressive model.

STRATEGIC RELATIONSHIPS

Collaboration with stakeholders is pivotal to our success. INSETA has forged strategic partnerships with industry stakeholders, educational and research institutions, government entities, and international bodies. These have enhanced our capacity to deliver high-impact initiatives, share best practices, and promote industry standards that elevate the professionalism and competitiveness of the insurance sector. The work of INSETA is undertaken through its delivery partners who implement the skills interventions and it is important to engage and support the stakeholders. INSETA hosted a series of stakeholder sessions nationally covering a number of issues including its plans for skills delivery priorities, discretionary grants compliance requirements, workplace skills plans submissions, career guidance events, sectoral events and sessions, projects site visits, and transitional arrangements for occupational qualifications.

The year did not end without some issues as INSETA received media attention after a training provider was de-accredited. This matter generated a lot of media attention and enquiries were made by other stakeholders namely the Public Protector, the Department of Higher Education and Training (DHET), Organisation Undoing Tax Abuse (OUTA) and the Industry Bodies. INSETA cooperated with all the relevant stakeholders and submitted information that was requested to clarify the issues that were raised. Furthermore, the Board resolved to undertake an independent investigation on the allegations and that process is ongoing.

CREATING EFFICIENCIES IN THE BOARD

The Board was introduced to an automated meeting platform in order to promote efficient and effective decision making. Initially there were challenges and we have fully migrated to this platform and it is positively contributing to the management of both virtual and face to face meetings. Furthermore, as part of ongoing development, the director development programme was completed by most board members. The Board was also capacitated on fraud risk management and corporate governance.

THE STRATEGIC FOCUS OVER THE MEDIUM TO LONG TERM PERIOD

The Board has identified key priorities for the SETA and continued to monitor the skills development facilitation against these priorities. These include research and innovation which provides a forecast for current and future skills requirements. It also includes transformation and professionalisation of the sector through skills development and the programmes designed by the SETA such as the leadership development and women in leadership programmes are a direct response. The strategic partnerships for high impact in the sector is another priority which continues to be championed by the SETA and through partnerships, we have been able to reach stakeholders that are far and wide. Digitisation and technological advancements continue to challenge the industries and our youth, worker, and business development strategies must respond through skills development.

ACKNOWLEDGMENTS AND APPRECIATION

As the acting Chairperson of the Board, I extend my deepest gratitude to the Minister for his invaluable guidance and feedback, which have been instrumental in keeping INSETA on course.

I would like to extend my sincere gratitude to Mr. Sighle Ngubane, our former Chairperson of the Board, for his unwavering commitment and steadfast leadership during his tenure with the Board and INSETA.

I also offer my heartfelt thanks to the Accounting Authority (AA) and all sub-committees for their expert guidance and contributions in finding solutions and forging a path forward. A special note of appreciation goes to Ms. Paula Mendes, who recently resigned from the Board—it was a pleasure to have you serve with us.

I also acknowledge and thank the CEO of INSETA and her executive team for their unwavering commitment to excellence within the organization, even during times when INSETA's reputation was challenged. Your dedication to maintaining the highest standards of integrity ensured that our stakeholders were not adversely affected by any of the decisions made in the organization.

Thank you for keeping our focus on the goal and maintaining the vision in our minds, giving us cause to celebrate our successes and tackle our challenges head-on. To all the staff at INSETA who rose to the challenge when our reputation as a SETA was at risk, I commend you for your commitment and dedication during this trying time. I also want to extend my gratitude to all our sector stakeholders who partnered with us, remained patient, and worked closely with INSETA during this period of review.

I look forward to continuing our collaboration as INSETA strives to achieve its strategic goals in both the medium and long term.

L vd Merwe
Accounting Authority
31 July 2024

4. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

G MKHIZE

INSETA CHIEF EXECUTIVE OFFICER

The year under review presented INSETA with an opportunity to continue successfully implementing its skills development strategy through collaborations with its delivery partners. The determination to inspire and influence the insurance skills value chain by aligning the supply of skills with the ever-changing demands was evidently visible.

As the country celebrated 30 years of democracy, the insurance industry has also evolved tremendously. Technological advances, economic growth, and the resilience of the industry have constantly required an ongoing alignment of the current and future skills. Transformation of the industry has also been the focal point as acknowledgements have been made that the pace is not as fast enough, as stated in the "state of transformation report", released by the Financial Sector Transformation Council in 2023.

Furthermore, the digital evolution, changing consumer needs, health and natural disasters, economic uncertainties and regulatory changes further impacted the industry. Despite these aspects, INSETA remained steadfast in its commitment to promoting skills development and maintaining an upward performance trajectory. As for INSETA, the 2023/24 financial year required agility and thought leadership to navigate through it. With much contentment, I present our Annual Report, reflecting on another year of some challenges and its very significant achievements.

GENERAL FINANCIAL OVERVIEW

INSETA is established in terms of the regulatory framework for skills development and generates revenue from levy paying employers within the insurance industry. Informed by various research sources namely the sector skills plan (SSP), workplace skills plans (WSP), annual training reports (ATR), sector specific research outputs, and research from the stakeholders. The key skills priorities were analysed with the intention of developing the most responsive plans to the industry's skills needs. In pursuit of the priorities set, the Strategic Plan (SP) and Annual Performance Plan (APP) 2020/21-2024/25 were developed and reviewed annually.

During the period under review, the total revenue recognised for the 2023/24 financial year was R749 766 000.00, a 10.10% increase from the 2022/23 financial year. This enabled the SETA to implement its strategy efficiently and exceed some of its performance objectives. INSETA disbursed R154 242 000.00 towards the mandatory grants budget, and R466 573 000.00 was paid towards the discretionary grants.

REVIEW OF SUCCESSES AND CHALLENGES

The achievements of the year under review confirm the upward trajectory and the spinoffs of strengthening the internal capacity, which resulted in the overall performance of 97% (56 out of 58 performance indicators), a 6% increase from the previous financial year. The three performance indicators that were not achieved related to the administration outcome and effectively, all indications linked to learning programmes were achieved at 100%. The total number of beneficiaries trained in 2023/24 is 17 196. There were 10 500 learners reached through the 22 career events initiated nationally, about 461 small businesses were provided were supported and capacitated, and a total number of 1 211 workplace skills plans were submitted. The summary of the performance across the four performance outcomes is depicted below:

One of the key highlights linked to the improvement of the administration outcome was the conceptualisation and development of INSETA's Excellence Model (IEM). This model is centred around the four foundational pillars, Mandate, People, Systems and Impact to strengthen the internal environment and improve the organisational culture. The most exciting part about the model is that it was crafted by the entire INSETA team from beginning to the end. The excellence champions and ambassadors were appointed to support management to drive the process throughout the development phase. The model will be launched in the preceding year after this rigorous year long process which involved all staff.

Another highlight was the brand currency improvement which remained robust, with a multi-layered approach that was adopted for stakeholder management. At a strategic level, the CEO stakeholder engagement sessions were held in Gauteng, Cape Town, Limpopo, East London and KwaZulu Natal. These sessions focused on sharing the priority areas which were being implemented and to engage with the stakeholders on skills development issues. At an operational level, the team facilitated a number of stakeholder sessions in groups and one-on-ones to discuss system changes, workplace skills plan submissions, compliance to discretionary and mandatory grant processes as well as supply chain management processes. The stakeholder management strategy was fully implemented, and the brand visibility is continuously improving. The digital platforms also played a key role in the promotion of insurance careers, as the social media following base increased significantly as a result of posts on events, conferences, webinars and career guidance content sharing. Furthermore, through the 'Conversations with the CEO' initiative, another opportunity to engage with the stakeholders was created to unpack the critical issues relating to topical issues listed below.

Enhanced Training Initiatives: We successfully expanded our training programs, focusing on upskilling and reskilling initiatives tailored to meet evolving industry needs. Through strategic partnerships with leading educational institutions and industry stakeholders, we have enriched our training offerings to address critical skills gaps. There are 13 occupational qualifications, some of which are being reviewed, that were developed in line with the transitional arrangements. We are amongst the second category of SETAs that are advanced in developing occupational qualifications.

Promotion of Diversity and Inclusion: INSETA continued to drive initiatives to foster diversity and inclusion within the insurance sector. Our efforts in promoting employment equity and supporting marginalised groups have been instrumental in advancing social cohesion and sustainable economic growth. The leadership development programme that was implemented and completed is one example of the contribution to transformation that supports leaders in ascending to higher roles in the sector. Moreover, the deliberate strategy of implementing rural projects promotes the inclusion of rural communities.

Digital Transformation: Recognising the imperative of digital transformation, we accelerated our efforts to integrate technology into our training platforms. This digital pivot has enabled us to reach a broader audience while enhancing the efficiency and effectiveness of our educational programs. Through the skills programmes, learnerships and bursaries funded, we intensified support for our beneficiaries in digital programmes.

Industry Collaboration: Collaboration remained a cornerstone of our strategy. By working closely with industry leaders, regulatory bodies, and other stakeholders, the SETA has strengthened its ability to anticipate and respond to emerging trends and challenges. Once again, our skills delivery partners and collaborators enabled us to deliver 100% achievement of the learning programmes which is the core of our mandate. The IISA, SAIA, FPI, FIA, ASSA, IRMSA and BATSETA have been key in our achievements. Furthermore, we supported seven universities, five TVET Colleges and three CET Colleges.

One of the challenges confronting INSETA, revealed during the organisational review undertaken in 2022, was the deficiencies that existed in the Finance division in terms of competencies and capacity and internal control challenges. These deficiencies would ultimately lead to an unfavourable audit outcome. To this end, a data management process was undertaken to address the audit action plan, and improvements continue to be realised. Another challenge was the implementation of the information technology systems, which did not happen without glitches. Open and transparent communication was maintained throughout its implementation to appraise the stakeholders regarding resolving system queries.

AUDIT REPORT MATTERS

INSETA received a qualified audit opinion from the AGSA during the financial year under review. It is unfortunate that this outcome was achieved as it does not reflect the improvements that have been achieved to enhance the internal control environment.

We are confident that with capacity building processes and appointments made toward the latter part of the year, an unqualified opinion is in sight for the next financial year.

ECONOMIC VIABILITY

INSETA financial statements are prepared based on 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 the settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The liquidity ratio measured at 7.04, as articulated in the AFS, implies that INSETA maintains sufficient short-term assets to cover its current liabilities, reflecting its ability to effectively meet any immediate financial obligations.

KEY NEW INITIATIVES

Looking ahead, INSETA is spearheading the women in Insurance leadership programme, the leadership development programme, broker development, employability and CET support. Through collaboration with stakeholders, the SETA remains dedicated to fostering innovation, promoting excellence in skills development, and nurturing a culture of lifelong learning within the insurance sector.

ACKNOWLEDGEMENTS

As we reflect on the financial year 2023/24, I would like to extend my sincere gratitude to all internal and external stakeholders who have supported INSETA in achieving its strategic goals. Your contribution to our success is highly appreciated.

I thank our Executive Authority, the Minister of Higher Education, Science and Technology, Dr Blade Nzimande, the Deputy Minister, Buti Manamela, and the Director-General, Dr Nkosinathi Sishi, for their invaluable guidance and policy direction. I would also like to express my gratitude and appreciation to the INSETA board, under the leadership of its former Chairperson, Mr. Sihle Ngubane, for his continued support, strategic guidance, and oversight of the SETA's work prior to his resignation. To the Committees that support the oversight role of the Board, we thank you. To all our stakeholders and partners – private and public employers, professional bodies, TVETs, CETs, government, non-government and community-based organisations, our labour partners, you did not only contribute to the achievement of our mandate, but to the improvement of the lives of many South Africans.

My heartfelt gratitude goes to my executive team that supported my vision. Most importantly, my gratitude goes to 'Team Excellence', our employees, for rising above the challenges throughout the year and for delivering outstanding performance results. It is a humbling honour to lead yourselves. You make leading you worthwhile. Thank you.

G Mkhize

Chief Executive Officer

Date: 31 July 2024

5. STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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

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

The Annual Report is complete, accurate, and free from any omissions.

The Annual Report has been prepared in accordance with the guidelines for the annual report as issued by the National Treasury.

The annual financial statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP), the requirements of the Public Finance Management Act of South Africa, 1999 (PFMA), and the Skills Development Act, 1998 (SDA).

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made based on 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, performance information, human resource information, and financial affairs of the entity for the financial year ended 31 March 2024.

Yours faithfully

L vd Merwe	**G Mkhize**
Accounting Authority	Chief Executive Officer
Date: 31 July 2024	Date: 31 July 2024

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

RESPECT
Diversity, Inclusivity and trust

INNOVATIVE
Agile & Impactful solutions

COLLABORATIVE
Unity & Partnership

ACCOUNTABILITY
Ethical Conduct

COURAGEOUS LEADERSHIP
Compassionate and Empowering "Empowered People Empower People"

CUSTOMER CENTRICITY
Responsive and Professional

STRATEGIC OBJECTIVES

- Research and Innovation
- Transformation and Professionalisation of Sector
- Strategic Partnerships for Impactful and Responsive Skills
- Enabling Strategies for Responsive Skills
- Enterprise Architecture
- Career Guidance and Career Pathing
- Pursuing Alternative Sources of Funding
- Monitoring and Evaluation

7. LEGISLATIVE **AND OTHER MANDATES**

As a public entity listed in Part A of Schedule 3 of the PFMA, INSETA is established in accordance with Section 9 of the SDA, having all powers granted to it in terms of this Act. INSETA's scope of coverage is the insurance and related sector as determined by Section 9 (2) of the SDA, read in conjunction with Government Gazette no.33756, RG 9417, No R1055 of 11 November 2010.

The SDA and SDLA provide the framework for INSETA to develop and implement national, sectoral, and workplace strategies to enhance the skills of the workforce, which improves employability and productivity and boost the competitiveness of the country.

The PFMA promotes sound financial management based on efficient and effective use of financial resources. The National Qualifications Framework (NQF) Act 2008, act 67 of 2008, provides for the regulation of qualifications and professional bodies, and establishes the quality councils with which the SETA interacts.

INSETA supports the goals and objectives of the Human Resources Department Strategy for South Africa, and also the medium-term strategic framework (MTSF) that indicates economic growth drivers and the NSDP 2030.

Additional legislation key to enhancing and shaping INSETA's activities include the following Acts, incorporating the amendments thereafter:

- Basic Conditions of Employment Act 1997, Act 75 of 1997;
- Broad based Black Economic Empowerment Act 2003, Act 53 of 2003;
- Division of Revenue Acts 2022, Act 5 of 2022, as amended;
- Employment Equity Act 1998, Act 55 of 1998;
- Income Tax Act, Act 58 of 1962;
- Labour Relations Act 1995, Act 2008, Act 66 of 2008;
- National Qualifications Framework Act 2008, Act 67 of 2008'
- Preferred Procurement Policy Framework Act 2000, Act 5 of 2000;
- Public Audit Act 2004, Act 25 of 2004;
- Public Finance Management Act 1999, Act 1 of 1999; and
- Protection of Personal Information Act 2013, Act 4 of 2013.

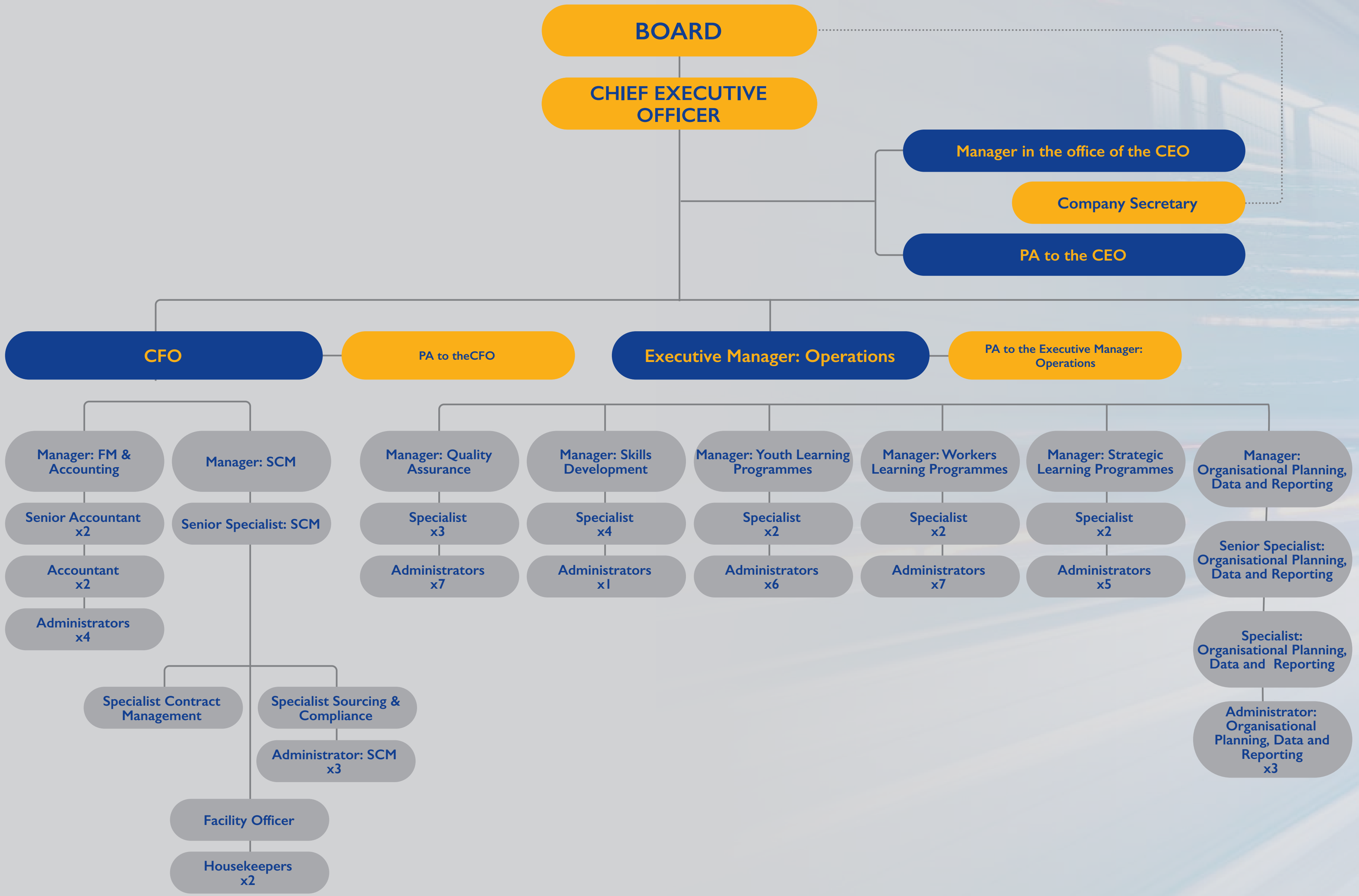
Policy mandates include the:

- White Paper for PSET (2014);
- The National Development Plan Vision 2030; and
- National Skills Development Plan (NSDP) 2030 (NSDP 2023).

Other documents include:

- Framework for Managing Performance Information;
- Strategic Plan;
- Framework for SPs and Annual Performance Plans (APPs); and
- Guidelines on the implementation of SETA Grant Regulations.

8. ORGANISATIONAL **STRUCTURE**




Executive Manager: Risk Management
PA to the Executive Manager: Risk Management
Senior Specialist: M&E
Specialist: M&E
Administrator: M&E
Internal Audit
Outsourced
Risk Manager
Risk Officer
Specialist: Corporate Governance
Executive Manager: Corporate Services
PA to the Executive Manager: Corporate Services
HR Manager
Senior Specialist: HR
Specialist: HR
Administrator: HR
IT Manager
Data Analyst
Business Analyst
IT Administrator
Software Developer
Junior Software Developer
Stakeholder Relations Manager
Stakeholder Relationship Specialist
Marketing & CRM Officer
Receptionist
Regional Coordinator Assistants

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INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY

PART B
PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to pages 75 to 80 of the Report of the Auditors Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. SERVICE DELIVERY ENVIRONMENT

INSETA has a rich history of delivery and innovation in education, learning, and skills development in South Africa. The organisation has made remarkable progress in its mission to enhance the skills and knowledge within the insurance sector. Through various initiatives and programmes, INSETA has contributed significantly to the professional development of individuals and the overall growth of the industry,.

INSETA plays a crucial role in advancing the insurance and related sectors through skills development in South Africa. Acting as a pivotal intermediary between educational institutions and the workplace, INSETA's efforts are aimed at facilitating skills development, promoting employment equity, and bridging the gap between education and industry needs.

INSETA has made significant strides in addressing these disparities by reshaping the occupational landscape within these industries. The organisation's comprehensive approach includes:

Labour Market Research: INSETA conducts extensive research to understand the current and future skills needs of the insurance sector. This research helps in identifying critical skills shortages and informs the development of targeted interventions.

Sector Skills Plan (SSP): The development of the SSP is the cornerstone of INSETA's strategy. The SSP outlines the skills demand and supply in the sector, highlighting priority areas for skills development.

Strategic Plan (SP): The SP provides a roadmap for achieving INSETA's long-term goals. It includes objectives related to skills development, transformation, and sector growth. The SP ensure that INSETA's initiatives are strategic and impactful.

Annual Performance Plan (APP): The APP is used to set short-term goals and measure progress towards the objectives outlined in the SSP and SP. The APP aids INSETA in track its performance and in making the necessary adjustments to its programmes.

By leveraging these tools, INSETA gathers vital data that enables it to design and implement programmes addressing the specific skills needs of the sector. This evidence-based approach ensures that interventions are relevant and effective, ultimately contributing to a more skilled, equitable, and competitive workforce in the insurance and related industries.

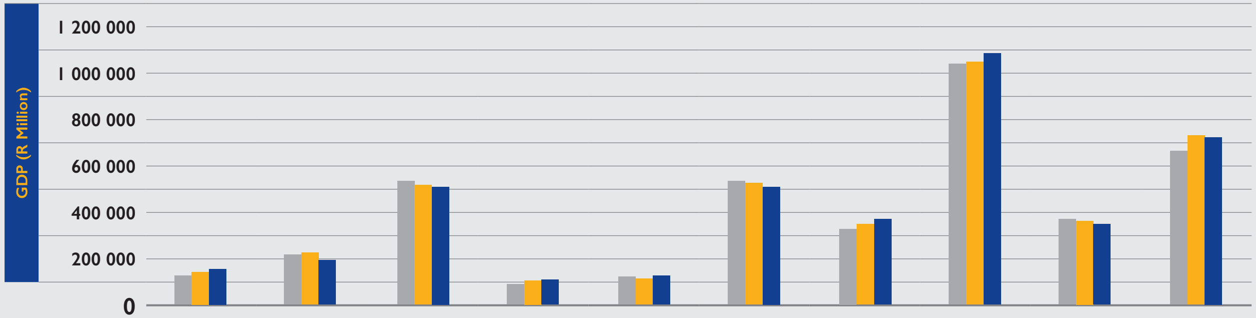
SKILLS PLANNING AND RESEARCH

INTRODUCTION

The profile of the insurance sector is viewed from two perspectives in this abstract: the economic performance of the finance sector, the profile of the workforce from the viewpoint of the 2023/24 workplace skills plan, (WSP), and the annual training report (ATR) submissions.

Trends in training are discussed from the vantage point of pivotal programmes. The impediments to skill planning are discussed, as well as descriptions of research projects completed by INSETA in the 2023/24 financial year are provided.

1. ECONOMIC PERFORMANCE



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Government Services	Personal Services
2022	140 850	199 306	513 188	97 570	109 407	530 886	373 100	1 096 200	366 936	720 021
2021	130 332	214 048	515 701	101 292	108 467	527 058	343 486	1 057 964	370 169	723 267
2020	125 911	210 552	533 639	104 229	114 162	509 552	327 521	1 049 248	371 470	678 213

Source: Stats SA GDP Q4 (2022)

Figure 1 Sector-comparison real GDP growth (Q4:2020-2022)

Finance (finance, real estate, insurance, and business services) has been the major gross domestic product (GDP) contributor over the three years depicted. This sector is followed by personal services, trade, and manufacturing. Therefore, finance has fared much better than other sectors.

2. TOP 10 SECTORAL PRIORITY OCCUPATIONS

The quantity of sectoral priority occupations required is determined from the WSP/ATR data. In the table below, the top 10 sectoral priority occupations are reflected as follows:

Financial Investment Advisor
Insurance Agent
Insurance Broker
Actuary
Compliance Officer
Software Developer
Insurance Claims Administrator
Insurance Loss Adjuster
Sales and Marketing Manager
Systems Analyst

IMPEDIMENTS TO SKILLS PLANNING

There is need to improve the quality and accuracy of the skills data in the sector. During the reporting period, the INSETA Management Information system (MIS) was placed under internal management to devise a plan to overcome internal challenges and system errors.

Human capacity was increased to improve system efficiencies for the stakeholders.

COMPLETED RESEARCH PROJECTS FOR 2023-2024

The NSDP (2030) outcomes that these research projects are linked to are stated below.

Topic 1: **Research Capacitation of TVET Colleges.** To influence research output from TVET colleges through paper-driven output, white papers, and factory papers. The Durban University of Technology (DUT) Research Partner is underpinned by the TVET Colleges to upskill and provide guidance, direction, and mentorship to the satellite research centres by way of research partnerships between the DUT and the TVET Colleges. NSDP Outcome 5: Support the Growth of the Public College System.

Topic 2: **Impact assessment of behavioural change strategies and skilling cybersecurity interventions in TVET colleges through supporting of a cybersecurity culture.** NSDP Outcome 5: Support the Growth of the Public College System.

Topic 3: **Retirement planning practices of SMME owners.** NSDP Outcome 6: Skills Development Support for Entrepreneurship and Co-operative Development.

INSETA commissioned a study on the retirement planning practices of SMME owners. The intention was to explore the retirement planning practices of black South African business owners.

A set of generic retirement planning variables such as source of retirement funds, market products, targeted retirement age, and type of businesses owned were identified.

An understanding of how variables like gender, age, and race intersect with retirement planning practices in the provinces was realised.

2.2. ORGANISATIONAL PERFORMANCE

INSETA demonstrated significant performance improvement in the financial year under review. We continued to excel in our mission, having finalised its Excellence Model. This model is grounded in the four fundamental pillars of Mandate, People, Systems, and Impact. It transcends theoretical abstraction and emerges as a dynamic entity sculpted by the collective acumen and devotion of the entire INSETA team.

From the inclusive Gallery Walks, which sought diverse perspectives from INSETA's dedicated leadership, and staff to the synthesis of stakeholder insights into the Excellence Canvas, each step reflects the commitment to inclusivity, innovation, and excellence. The Excellence Model in practice will be fortified by the incorporation of excellence performance indicators. These essential components will seamlessly integrate into performance contracts, ensuring a tangible manifestation of INSETA's commitment to excellence at the employee level.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

INSETA has made no changes to relevant policies or legislation that would have affected its operations during the reporting period.

2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

INSETA is structured into four programmes:

1. Administration
2. Skills Planning
3. Learning Programme
4. Quality Assurance

3.1 ANNUAL PERFORMANCE REPORT (1 APRIL 2023 to 31 MARCH 2024)

IMPACT STATEMENT	PROGRAMME	OUTCOME	OUTPUT	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	PLANNED ACHIEVEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATION
Prudent and compliant management of resources	Administration	Effective Corporate Governance	Effective Corporate Governance maintained	Audit Opinion	Qualified Audit opinion	Unqualified audit opinion with no material findings	Qualified audit opinion	0	Target not met
				Number of significant SCM Audit findings raised	N/A	0	0	0	Target achieved
				Number of material misstatements to unaudited Annual Financial Statements	N/A	0	7	7	Inadequate AFS reviews
				Vacancy rate for approved positions on the organisational structure within the financial year	N/A	5%	5%	0	Target Achieved
				Number of quarterly good governance reports submitted	N/A	4	4	0	Target Achieved
				Percentage of Creditors invoices paid within 30 days.	N/A	100%	100%	0	Target Achieved
Responsive Skills Planning System	Skills Planning	Occupations in high demand Identified and their production increased	High level skills developed through bursaries	Percentage of DG budget allocated at developing high level skills	83%	34%	34%	0	Target Achieved
			Intermediate skills developed through learning programmes	Percentage of DG budget allocated at developing intermediate skills	74%	65%	65%	0	Target Achieved
			Elementary skills developed through adult education	Percentage of DG budget allocated at developing elementary skills	1%	1%	1%	0	Target Achieved
			SME WSPs and ATRs approved	Number of WSPs and ATRs approved for small firms	908	800	813	13	The approval of blanket WSP extensions and constant availability of INSETA personnel to assist with submissions.
			Medium firms WSPs and ATRs approved	Number of WSPs and ATRs approved for medium firms	146	140	140	0	Target Achieved
			Large firms WSPs and ATRs approved	Number of WSPs and ATRs approved for large firms	243	230	258	28	The approval of blanket WSP extensions and constant availability of INSETA personnel to assist with submissions.

IMPACT STATEMENT	PROGRAMME	OUTCOME	OUTPUT	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	PLANNED ACHIEVEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATION
Responsive Skills Planning System	**Skills Planning**	Occupations in high demand Identified and their production increased	Skills Planning researched	Number of sector research conducted for SMEs & Co-Operatives	1	2	2	0	Target Achieved
				Number of approved Research Agenda outputs produced	7	3	3	0	Target Achieved
			Programmes impact assessment conducted	Conduct an impact assessment on Rural programmes	1	1	1	0	Target Achieved
			TVET curriculum development Research	Number of sector research agreements signed for TVET growth occupationally directed programmes	1	1	1	0	Target Achieved
Responsive PSET System	**Learning Programmes**	Linked education and the workplace	TVET learners enrolled on WIL programmes	Number of TVET Students enrolled for WIL programmes to complete their qualifications	1046	849	885	36	Due to the top up allocations, more numbers were received from Stakeholders than previous year.
			TVET learners completing WIL programmes	Number of TVET students completed their WIL programmes	339	450	500	50	Special project enrolled in the year under review, contributed to the increased Learner completions.
			Learners enrolled for Internships	Number of unemployed learners enrolled for internships. (inclusive of 100 CET internships)	1205	950	994	44	Increased interest in supporting the unemployed youth prompted by stakeholder engagement, early commencement of the programme as well as introducing more internship programmes
			Learners completing internships	Number of unemployed learners completed internships	491	250	264	14	Early commencement and timeous implementation of the programme resulted in timeous completion.
			Learners enrolled for learnerships	Number of unemployed learners enrolled for Learnerships programmes	1777	1200	1462	262	Increased intake and uptake by the employers in the sector in support of youth in acquiring qualification through the learnerships programmes as well as support of the youth programme emanating from the strategic projects.
			Learners certificated through learnerships	Number of unemployed learners completed for Learnerships programmes	1071	630	642	12	Improved efficiency in the quality assurance environment leading to increased certification.
			Learners for enrolled for skills programme	Number of unemployed learners enrolled for Skills programmes	1274	950	1696	746	Special project contributed to the overachievement.
			Learners completing skills programmes	Number of unemployed learners completed skills programmes	781	582	605	23	Special project contributed to the overachievement.

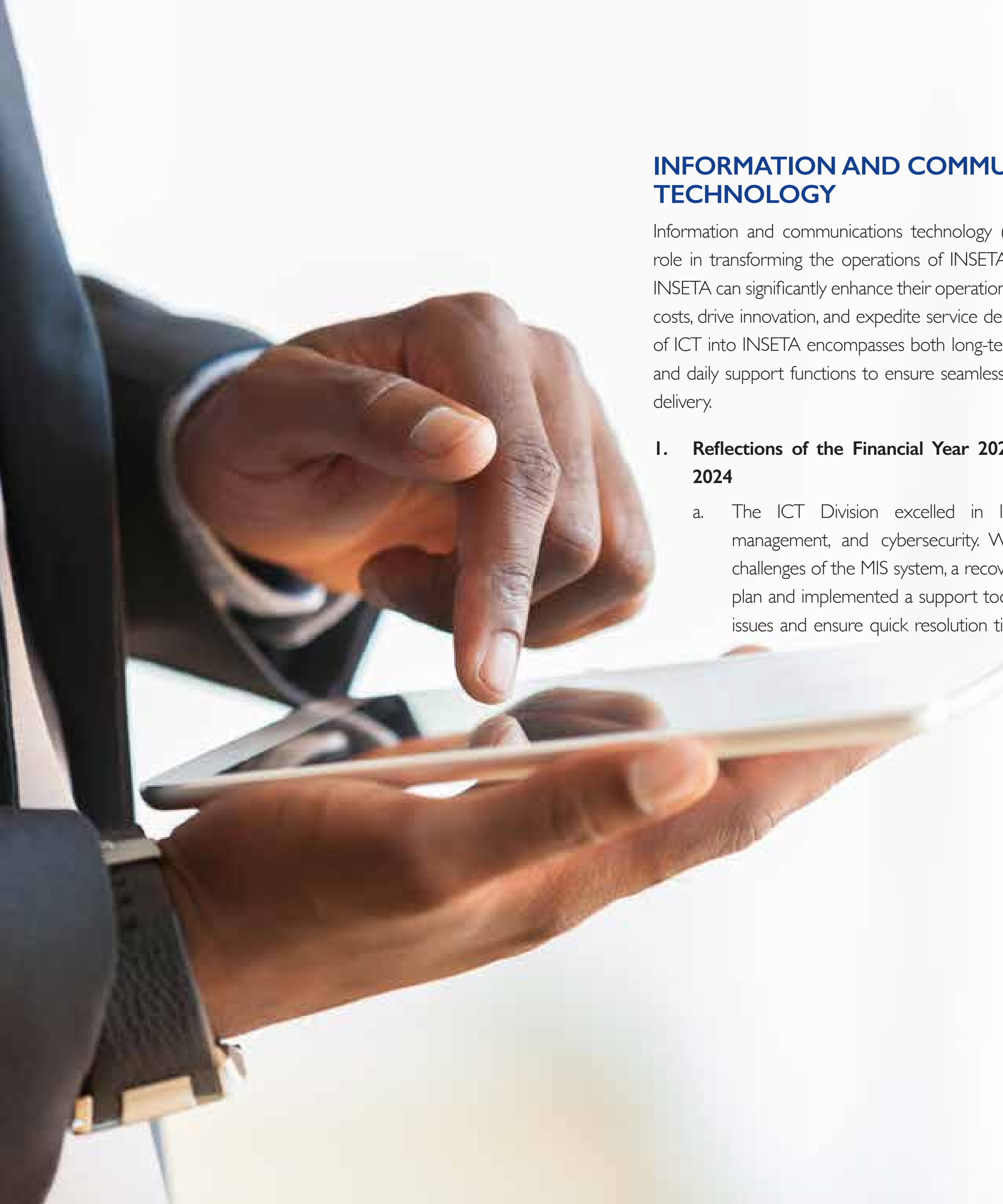
IMPACT STATEMENT	PROGRAMME	OUTCOME	OUTPUT	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	PLANNED ACHIEVEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATION
Responsive PSET System	**Learning Programmes**	Linked education and the workplace	Learners completing skills programmes	Number of unemployed learners enrolled for candidacy programmes	0	100	168	68	Increased interest and uptake from employers through implementation of partnership agreements with Professional Bodies.
				Number of unemployed learners completed for candidacy programmes	0	50	64	14	
		The level of skills in the South African workforce improved.	Workers enrolled granted Bursaries	Number of workers granted Bursaries (new entries)	1028	1150	1191	41	Increased uptake from Employers, to support employees in achieving qualifications and improving on their competency levels.
			Workers continuing granted bursaries	Number of workers granted Bursaries (continuing)	238	50	235	185	Increased demand of workers continuing their studies.
			Workers granted bursaries completed studies	Number of workers granted bursaries completed their studies	640	600	626	26	Consistency in the bursary participants in completing their studies.
			Workers enrolled for skills programmes	Number of workers enrolled Skills programmes	3025	2150	2190	40	There is a high demand for employees to be supported to meet the fit and proper requirements with the Financial Sector Conduct Authority (FSCA).
			Workers completing skills programmes	Number of workers completed skills programmes	1640	1750	1988	238	Close monitoring process implemented to improve completions
			Workers enrolled for Learnerships programmes	Number of workers enrolled for learnerships programmes	1024	900	1069	169	Increased interest and uptake from employers to upskill and reskill their employees through learnerships
			Workers certificated for Learnerships programmes	Number of workers completed for Learnerships programmes	521	600	605	5	Improved efficiency in the quality assurance environment leading to increased certification.
			AET programmes enrolled	Number of workers enrolled for AET programmes	58	30	40	10	High uptake for employees to be supported to improve their competency levels.
			AET programmes completed	Number of workers completed AET programmes	23	30	44	14	Completion of the learner performance depends on learner performance to complete timeously. The increased throughput rate was as a result high uptake of employees.
		Access to occupationally directed programmes increased	Unemployed enrolled granted Bursaries	Number of unemployed learners granted Bursaries (new enrolments)	770	900	921	21	Increased uptake from Higher Education Institutes (HIEs).
			Unemployed continuing granted bursaries	Number of unemployed learners granted Bursaries (continuing)	472	300	337	37	Increased conversion of continuation of studies from HEIs
			Unemployed granted bursaries completed studies	Number of unemployed learners granted Bursaries completed their studies	338	280	281	1	Consistency in the bursary participants in completing their studies.

IMPACT STATEMENT	PROGRAMME	OUTCOME	OUTPUT	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	PLANNED ACHIEVEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATION
Responsive PSET System	**Learning Programmes**	Access to occupationally directed programmes increased	Workers entered RPL	Number of workers enrolled for RPL	165	160	177	17	Improved participation by industry due to awareness created around Recognition of Prior Learning (RPL) which resulted in more interest from the industry.
			Workers completed RPL	Number of workers completed RPL	136	130	134	4	Improved participation by industry due to awareness created around Recognition of Prior Learning (RPL) which resulted in more interest from the industry.
			TVETs partnerships established	Number of TVET partnerships established	5	5	5	0	Target Achieved
			HET partnerships established	Number of HET partnerships established	6	5	6	1	Improved brand visibility and stakeholder engagement contributed to increased partnerships.
			CET partnerships established	Number of CET partnerships established	3	3	3	0	Target Achieved
			Employer Professional Bodies & Trade Associations partnerships established	Number of SETA Employer Partnerships established	6	5	6	1	Improved brand visibility and stakeholder engagement contributed to increased partnerships.
			Learners placed in employment	Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment	473	400	425	25	More interest from the sector in absorbing learners who completed the work- based learning programme in the workplace.
		Skills development for entrepreneurship and co-operative development supported	Co-operatives supported	Number of Co-operatives funded for skills that enhance enterprise growth and development	29	10	78	68	Partnership with a Trade association improved and increased participation of co-operatives in the sector.
			SME supported	Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	426	375	383	8	Increased interest for Small Micro Enterprises participated in the various skills development interventions.
			Business Start-up supported	Number of people trained on entrepreneurship skills & supported to start their businesses	5	10	11	1	A targeted approach implemented to support entrepreneurship programmes in the sector.

IMPACT STATEMENT	PROGRAMME	OUTCOME	OUTPUT	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	PLANNED ACHIEVEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGETS	REASONS FOR DEVIATION
Responsive PSET System	**Learning Programmes**	Worker-initiated training supported	Union consultations held and required skills implemented	Number of Federations/Trade Unions supported through relevant skills training interventions	2	1	2	1	Participation of both Trade Unions in the sector.
		Career development services supported	Career Guidance for urban areas	Number of career development events conducted for urban areas on occupations in high demand	11	10	12	2	Implementation of the career guidance strategy for targeted learners to promote increased Insurance careers.
			Career Guidance for rural areas	Number of career development events conducted for rural areas on occupations in high demand	21	10	10	0	Target Achieved
			Career development practitioners trained	Number of career development practitioners trained	19	15	15	0	Target Achieved
		Rural Development supported	Rural projects initiated	Number of rural development projects initiated	8	5	5	0	Target Achieved
	Quality Assurance	Access to occupationally directed programmes increased	Qualifications offered in line with occupations in high demand	Number of public TVET Colleges accredited to offer insurance learning programmes directed at addressing occupations in high demand	4	4	5	1	Increased accredited public TVET colleges interest in offering occupational qualifications in line with the sector.
		Growth of the public college system supported	SETA TVET offices maintained	Number of SETA offices established or maintained in TVET colleges	2	2	2	0	Target Achieved
			TVET lecturers exposed to industry	Number of TVET lecturers exposed to the industry through skills programmes	15	20	22	2	Increased interest in the insurance sector from TVET college lecturers resulted in the target being exceeded.
			TVET lecturers awarded bursaries	Number of TVET colleges lecturers awarded bursaries	16	15	22	7	Increased interest in the insurance sector from TVET college lecturers resulted in the target being exceeded.
			CET Lecturers trained	Number of CET college lecturers awarded skills development programmes	10	15	18	3	Increased interest in the insurance sector from CET college lecturers resulted in the target being exceeded.

3.2 PERFORMANCE AGAINST INDICATORS

IMPACT STATEMENT	OUTCOME	OUTPUT	NO. OF INDICATORS ACHIEVED	ACTUAL ACHIEVEMENT 2023-24
1 Administration	Effective Corporate Governance	6	4	Partially Achieved, with two indicators not achieved
2 Skills Planning	Occupations in high demand Identified and their production increased	10	10	Fully achieved.
3 Learning Programme	Education and the workplace Linked	10	10	Fully achieved.
	The level of skills in the South African workforce improved.	9	9	Fully achieved.
	Access to occupationally directed programmes increased	10	10	Fully Achieved
	Skills development for entrepreneurship and cooperative development supported	3	3	Fully Achieved
	Worker-initiated training supported	1	1	Fully Achieved
	Career development services supported	3	3	Fully Achieved
	Rural Development supported	1	1	Fully Achieved
4 Quality Assurance	Access to occupationally directed programmes increased	1	1	Fully Achieved
	Growth of the public college system supported	4	4	Fully Achieved
TOTAL		**58**	**56**	**97%**



INFORMATION AND COMMUNICATIONS TECHNOLOGY

Information and communications technology (ICT) plays a pivotal role in transforming the operations of INSETA. By leveraging ICT, INSETA can significantly enhance their operational efficiency, optimise costs, drive innovation, and expedite service delivery. The integration of ICT into INSETA encompasses both long-term strategic planning and daily support functions to ensure seamless ICT-enabled service delivery.

1. **Reflections of the Financial Year 2023 until March 31, 2024**
    a. The ICT Division excelled in IT governance, risk management, and cybersecurity. We also tackled the challenges of the MIS system, a recovery and revitalisation plan and implemented a support tool to monitor system issues and ensure quick resolution times. Additionally, the Electronic Document and Records Management System (EDRMS) was fully deployed throughout the organisation, with ongoing improvements to enhance its usability and accessibility.
    b. The division also initiated a project to develop an intranet and a corporate communication tool to enhance communication and interaction within the organisation.

2. **Internalised services**
    a. The ICT Division provides ICT services that were previously outsourced. This includes overseeing business continuity services, cybersecurity, and daily technical support.

3. **System Challenges and System Highlights**
    a. The implementation of the MIS system was challenging, particularly due to its unstable functionality. However the recovery and revitalization plan has addressed the challenges encountered during implementation including integration with other systems.

The organisation has invested in system improvement, encompassing enterprise architecture development, ICT strategy review, connectivity enhancement, and automation of manual processes.

By integrating ICT into its operations, INSETA will significantly improve cost management, innovation, and service delivery. A balanced approach that includes both strategic planning and daily operational support is essential for harnessing the full potential of ICT.

STAKEHOLDER RELATIONS

The Stakeholder Relations Department at INSETA plays a pivotal role in fostering strong, collaborative partnerships with various stakeholders, including industry bodies, educational institutions, and government agencies. This department of four staff members is dedicated to ensuring transparent communication, aligning stakeholder needs with INSETA's strategic objectives, and enhancing the overall impact of the organisation's initiatives.

Through active engagement and continuous dialogue, the Stakeholder Relations team works to build trust, facilitate mutual understanding, and drive collective efforts towards the development of a skilled and sustainable workforce in the insurance sector. Our efforts are integral to INSETA's mission of bridging the skills gap and promoting educational opportunities across the industry.

SOCIAL MEDIA PLATFORM PRESENCE

YOUTH PROGRAMMES

1. TVET LEARNERSHIPS

1.1 PROGRAMME OBJECTIVES

The objective of this programme is to support TVET colleges that are accredited with INSETA qualifications and qualifications that are in high demand. The TVET colleges implement learnerships on critical scarce skills; train the learners on the theoretical and practical components of the learnership. The TVET colleges partner with the employers in their areas and enter into an agreement for the employers to provide the work experiential training for the learnership training as well as some of the practical components of the learning. The SETA is implementing the DHET mandate to support and capacitate the TVET colleges through these learnership programmes. The total number of graduations held is outlined in the tables below.

1.2 NUMBER OF LEARNERS PARTICIPATING

In the 2023/24 financial year, learners completed the learnership programmes in various TVET colleges around the country. The learners were implementing the following qualifications:

TVET Colleges	Province	Number of learners	Qualification
Buffalo City TVET College	Eastern Cape	20	FETC: Short Term Insurance NQF L4
Maluti TVET College	Free State	50	FETC: Long Term Insurance NQF L4 and NC: End User Computing L3
College of Cape Town TVET College	Western Cape	50	FETC: Short Term Insurance NQF L4 and FETC: Long Term Insurance NQF L4
Southwest Gauteng TVET College	Gauteng	110	FETC: Short Term Insurance NQF L4, FETC: Long Term Insurance NQF L4, FETC: Retail Insurance NQF L4 and FETC: Wealth Management NQF L4

In the 2023/24 financial year, a new group of 99 learners registered for the TVET learnership programme. These learners are pursuing various qualifications accredited by the TVET colleges.

TVET Colleges	Province	Number of learners	Qualification
Buffalo City Public TVET College	Eastern Cape	20	FETC: Long Term Insurance NQF L4
Lovedale TVET College	Eastern Cape	19	NC: IT System Development NQF L4
Majuba TVET College	KwaZulu Natal	20	FETC: Technical Support NQF L4
Maluti TVET College	Free State	20	FETC: Long Term Insurance NQF L4
Southwest Gauteng TVET College	Gauteng	20	FETC: Long Term Insurance NQF L4

1.3 PROGRAMME HIGHLIGHTS AND SUCCESSES

The mandate and objective to support and capacitate the TVET colleges was met by the SETA by ensuring that the TVET colleges are accredited to implement the learnership as well as providing the funding to implement them. The INSETA assisted the TVET colleges to build partnerships between employers in the insurance and financial sectors through this programme.

During the financial year of 2023/24, three graduation ceremonies were conducted for the TVET colleges that completed the programmes. INSETA held a graduation ceremony with the following TVET colleges in their respective areas:

TVET College	Number of learners	Qualifications	Area
King Hintsa TVET College	24	National Certificate: End User Computing NQF L3	Eastern Cape, Butterworth
King Sabata Dalindyebo TVET College	26	FETC: Long Term Insurance NQF L4	Eastern Cape, Mthatha
Umfolozi TVET College	28	FETC: Wealth Management NQF L4 and FETC: Short Term Insurance NQF L4	KwaZulu Natal, uMhlathuze

2. COMMUNITY EDUCATION AND TRAINING COLLEGES (CET) LEARNERSHIP PROGRAMME

2.1 PROGRAMME OBJECTIVES

INSETA responded to the mandate from DHET to create a responsive PSET system by supporting CETs, through the internship programmes to support adults and out-of-school youth and provide required experience to the interns for experiential training, and increase their chances of being employable at the end of the programme.

INSETA supported five CET colleges in the following areas:

CET College	Area (Province)
Eastern Cape CET	Mdantsane (Eastern Cape)
Free State CET	Bloemfontein (Free State)
Kwa Zulu-Natal CET	Durban (Kwa Zulu-Natal)
Northwest CET	Brits (North West)
Western Cape CET	Bellville (Western Cape)

2.2 NUMBER OF LEARNERS PARTICIPATING

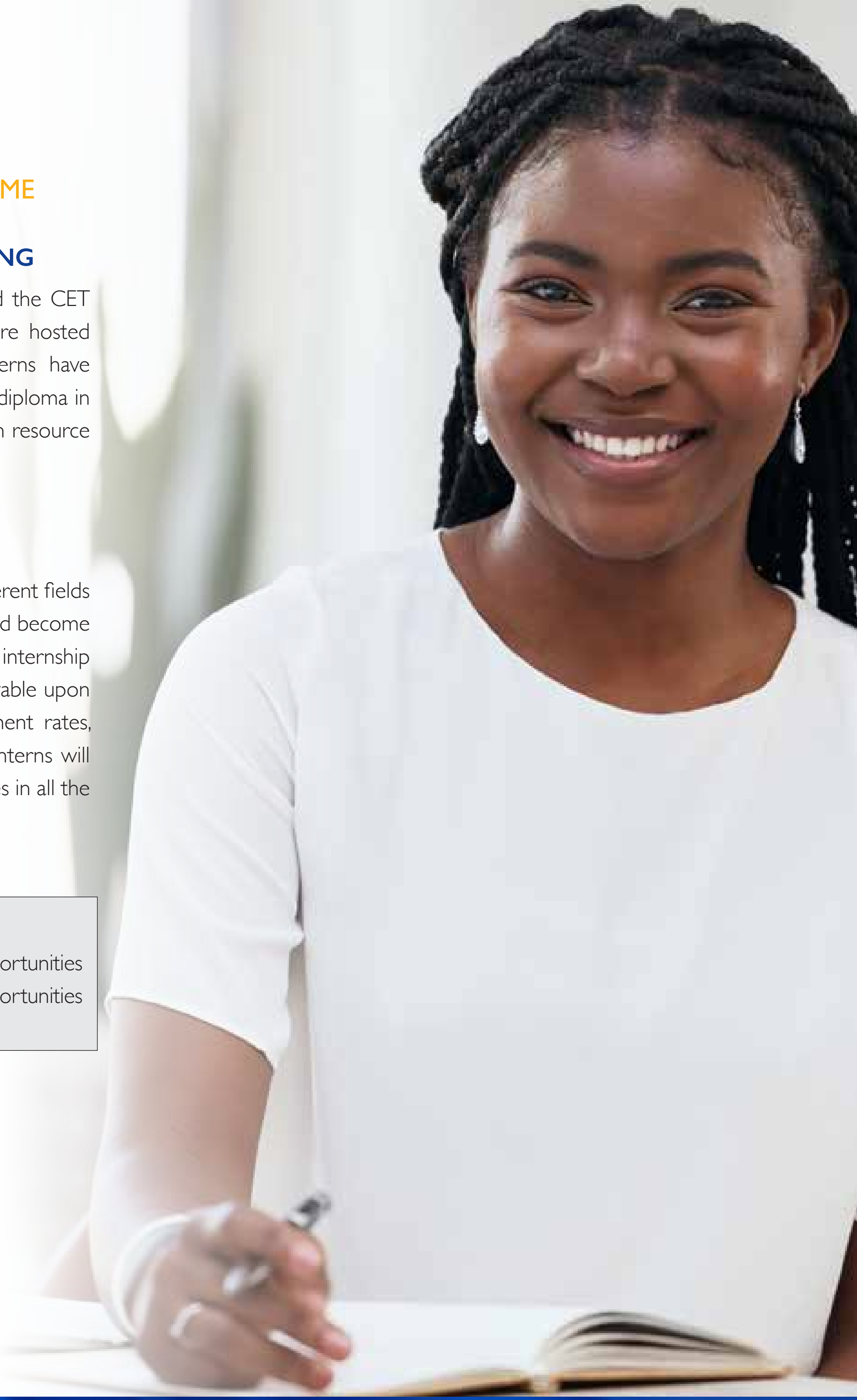
In the financial year of 2023/24, the SETA supported the CET colleges by funding stipends for 25 interns who were hosted by the different CET colleges nationally. These interns have acquired different qualifications in the following fields: diploma in finance and accounting, information technology, human resource management, and credit management.

2.3 IMPACT

The programme will assist the interns in exploring different fields and roles, helping them acquire experiential training and become more informed about their career choices. This internship programme will assist the interns in becoming employable upon completion of the programme, reducing unemployment rates, and increasing economic growth and stability. These interns will also help in the building and promotion of CET colleges in all the departments that they are placed in.

2.4 OUTCOME

The internship programme can lead to full-time job opportunities from the host employers or open doors to other opportunities through references and demonstrated experience.



3. GRADUATE DEVELOPMENT PROGRAMME

3.1 PROGRAMME OBJECTIVES

The Graduate Development Programme aims to upskill and reskill female graduates under the age of 30 who have NQF L7 qualifications. The programme aims at providing experiential training and upskilling the graduates in financial management, risk and compliance, and sales marketing to be certified financial planners upon completion of the programme. The programme is a two-year programme focusing on attracting, retaining, and developing female financial planners to create a talent pipeline for future leaders in the insurance sector.

3.2 NUMBER OF LEARNERS PARTICIPATING

Twenty-four (24) female graduates are participating in this programme, and they are being hosted by employers in the insurance sector.

3.3 GEOGRAPHICAL LOCATION

The programme is being implemented in the Gauteng and Western Cape provinces only because this is a pilot project. Once the funding becomes available, more beneficiaries will be included.

3.4 IMPACT

The programme will enhance gender diversity and inclusion within the insurance sector by developing a pool of skilled female financial planners and fostering a new generation of young female leaders in the industry.

In the long term, the programme will also support sustainable growth and innovation in the insurance sector by ensuring a steady supply of qualified professionals ready to take on leadership roles.

3.5 OUTCOME

The Graduate Development Programme will equip graduates with the necessary skills and certifications to become competent financial planners. They will have gained practical experience, technical knowledge, and professional development, enabling them to excel in the insurance sector. The programme will produce a cohort of certified female financial planners ready to contribute to their organisations and the industry at large.

PROGRAMME HIGHLIGHTS

SPECIAL PROJECTS

PROGRAMME HIGHLIGHTS AND SUCCESSES

- A number of learners have received their statement of results (SORs), and the average pass rate of projects is above 90%.
- The programmes implemented by stakeholders speak to the demands of the economy and include programmes such as technical insurance skills, data analysis, cybersecurity and robotics to unlock new eras of opportunities.
- Some of the short skills programmes include unit standards for both long-term and short-term insurance qualifications.
- The projects are spread across both urban and rural areas, which ensures equitable access for youth from these areas. It also limits the need for rural to urban migration by ensuring that opportunities are taken to provinces or regions where learners reside and where the need is greatest.
- There is a good mix of programmes offered to stakeholders, including internships, WIL, short skills programmes, learnerships, and bursary programmes.
- There is an increased interest for Fourth Industrial Revolution (4IR)-related programmes, as evidenced by the uptake of these programmes by both stakeholders and learners.

CHALLENGES

- The delays in issuing tools of sufficient tools of trade remains a challenge.
- The length of the programme is too short and a proposal of a duration of 2-3 months was made.
- Collaboration of the TVET colleges with INSETA employers for placement of the WIL learners is still a challenge; however, the department is engaging continuously.

REACHING RURAL AREAS

- Overall, there are a fair number of projects running in the Eastern Cape, the North-West, Mpumalanga, and Limpopo, which are traditionally considered rural provinces.
- The challenge with rural areas remains limited employment opportunities.
- Through career guidance, the INSETA movie continues to be broadcast as a cinematic experience in the nine provinces to reach learners in previously disadvantaged areas through this innovative initiative.

ACADEMIC SUPPORT

- Support for TVET colleges and CETs: The SETA remains committed to supporting the TVET sector. The SETA supports WIL programmes for a number of TVET colleges nationally. The TVET sector remains a priority for the SETA not only due to the Economic Reconstruction and Recovery Plan (ERRP), but also due to the high number of youths supported by the sector who are studying programmes aligned to the insurance sector. Support for the sector takes the form of TVET College lecturer development programmes and funding of 18-month N6 WIL programmes such as management assistant, HR, business administration, and HRM. The SETA also supports the sector through information sharing with regards to applications for accreditation for INSETA qualifications.
- The SETA primarily supports the CET sector through funding of skills programmes for lecturers in the sector and direct funding of programmes for learners studying through this sector.

SUCCESS STORY 1

Building Leadership Excellence: INSETA and Henley Business School's Strategic Partnership"

In an inspiring partnership with Henley Business School, INSETA has made significant strides in advancing leadership within the insurance sector. This collaboration, aimed at empowering senior managers through the International Executive Development Programme (EDP) Post Graduate Diploma in Management Practice, has proven to be a resounding success.

Launched during the 2022/23 financial year, the program saw its first cohort of 20 senior managers enrol, achieving a remarkable 100% output rate. This success was not just a testament to the quality of the programme but also a clear indication of the dedication and commitment of all involved. The impressive results have led INSETA to expand the program, allocating funding of R12,480,000 for the 2023/24 financial year, enabling an additional 30 delegates to participate.

The Post Graduate Diploma, aligned with the NQF level 8 Management Practice qualification, offers a comprehensive learning experience. It features hands-on, experiential methods, including work in small syndicate teams. These teams focus on key areas identified in the Sector Skills Plan as critical to the sustainability of the insurance industry. Over 12 months, delegates engage in six interactive blocks, with the unique opportunity for global immersion, allowing them to experience international business trends and bring those insights back to the South African insurance sector.

Moreover, the programme directly supports INSETA's transformational goals, with the 30 selected delegates representing the industry's diversity. The cohort comprises 63% female and 67% Black African leaders, reflecting INSETA's commitment to equity and inclusion.

This Leadership Development Programme is more than just a course; it is a crucial investment in the future. By nurturing future leaders, enhancing organisational performance, driving change management, fostering innovation, and strengthening stakeholder relationships, INSETA is ensuring the long-term success and resilience of the insurance sector.

INSETA is proud to partner with Henley Business School in rolling out this groundbreaking program. As we continue to support and advocate for alumni engagement, we remain committed to assessing the programme's impact through delegate feedback, ensuring its lasting influence on the sector.

SUCCESS STORY 2

Empowering Rural Youth Through INSETA and Old Mutual Insure's Strategic Partnership

Old Mutual Insure iWYZE (OMI iWYZE) has been a committed participant in INSETA's Learnership Programmes, focusing on both employed workers and unemployed youth, primarily in urban areas like Gauteng. Recognising the need to extend their impact to rural areas, OMI iWYZE identified an opportunity to develop unemployed youth and retain these critical skills within their communities. This vision led to the launch of a groundbreaking rural business initiative in partnership with INSETA, despite OMI iWYZE not having an existing footprint in the Mpumalanga Province.

With a Discretionary Grant funding of R867 360 awarded by INSETA, OMI iWYZE initiated a Contact Centre Learnership Programme (NQF Level 4) to empower 10 unemployed youth in Mpumalanga. The programme, running from 1 November 2023 to 31 October 2024, is designed to equip participants with vital skills to drive youth development within the region. The programme's ultimate goal is to broaden customer interaction platforms and contribute to the economic growth of Mpumalanga by building a sustainable pipeline of talent.

The learnership programme, which is 100% female and entirely comprised of African youth from previously disadvantaged communities, stands out for its commitment to transformation and inclusion within the insurance sector. INSETA and OMI iWYZE's initiative specifically targets African females, a group disproportionately affected by poverty, inequality, and unemployment, and underrepresented in the insurance sector. The program's design ensures these young women, with an average age of 26, receive a blend of theoretical training and practical workplace experience over 12 months, preparing them for a future in the insurance industry or beyond.

The financial support provided to these learners is also noteworthy. Each learner receives a stipend of R4,500 per month, significantly higher than the industry average, ensuring they can cover essential costs like transportation, food, and communication. This financial support is crucial in ensuring learner retention and programme success.

INSETA's rigorous monitoring of the programme through regular site visits ensures that all deliverables are met, and the learners remain satisfied and engaged. The focus on workplace readiness, including curriculum vitae (CV) drafting, MS Office skills, telephone etiquette, and teamwork, prepares these young women for diverse and multicultural working environments.

The success of this programme highlights the importance of bringing educational and professional opportunities closer to rural learners. Through this programme, INSETA and OMI iWYZE are not only fostering local talent but also ensuring that these young women can remain within their communities, close to their social support systems, while building their careers. This strategic initiative is a testament to the power of collaboration in driving meaningful change and creating a brighter future for South Africa's youth.

MORE SUCCESS STORIES

KOBYANA WINNIE

Age:	29
Programme:	Short Skills Programme (Systems Development and Technical Support)
Province of implementation:	Limpopo
Highest qualification:	Management Assistant N6

She has since obtained employment after the skills programme at a TVET college as a Personal Assistant (PA) to Head of Department (HOD). She studied the Management Assistant Programme.

MOLEFE BAKANG FIONA

Age:	24
Highest qualification:	Bachelor of Laws degree

The INSETA Broker Development Programme has assisted me in opening and making me realise a new career horizon. It has ignited a new career path for me so far. I have learned that not only is insurance an important factor in our lives, it is a complex yet necessary need to have. "My plan after completing the programme is to grow and establish my career and knowledge within the insurance sector, and to hopefully develop and grow my insurance firm on a broader spectrum."

She stated that: "Up until this point, the programme has proved to be fruitful, and there are prospects that we will not only obtain our licences to practice as insurance brokers but will also gain long-term associates."

She is grateful for INSETA's support and the opportunity.

PROMOTON OF INSURANCE CAREERS

INSETA through its career guidance strategy reached a number of high school learners to promote careers in the insurance industry. Below are the Stats:

HIGHLIGHTS FROM THE QUALITY ASSURANCE DIVISION

Accreditations: INSETA successfully conducts an average of 20 x SDP and Assessment Centre accreditation site visits monthly as directed by the QCTO. This includes old Training Providers converting to the QCTO environment and NEW applicants. The impact of this is that there is a clear agenda to transform the face of the sector SDPs.

EISA Examinations: From January 2024 to date (August 2024), approximately 320 candidates have entered and written supervised examinations for Occupational Qualifications, including Claims Assessor (99668) and Insurance Underwriter (91784). This number represents sector/occupation-ready professionals who are employable or can be promoted to higher roles at the Employer.

Qualification Development: A total of 12 x Occupational Qualifications have been registered and are implementable for the sector. These include insurance agents, trustees, and risk practitioners. A full list is available on the INSETA website.

INSURANCE SECTOR STUDENT FUND (ISSF) PARTNERSHIPS WITH STRATEGIC IMPLEMENTATION PARTNERS BREED EXCELLENCE

The ISSF is exceptionally fond of the partnerships formed with the different stakeholder categories, especially the Strategic Implementation partners. At the heart of these partnerships is the need to reach and support more learners through the ISSF, through collaborations with Strategic Implementation Partners, such as the Ikusasa Student Financial Aid Programme (ISFAP). These partnerships are pivotal in extending opportunities to less privileged students and bridging the gap for the "missing middle."

The ISFAP was established to assist less privileged students and the 'missing' middle-income university students in selected fields of study, in affording university fees by providing financial aid. This is provided the candidate meets certain prescribed requirements.

One of our incredible ISSF beneficiaries birthed through this partnership is Mokgadi Makgopo. Mokgadi is currently pursuing a BSc in Mathematical Sciences at the University of the Witwatersrand.

"I chose this degree because I aspire to be a data analyst or Quantitative Analyst in one of South Africa's banks. I grew up in a financially disadvantaged home with my mom being a street vendor just to put food on the table."

"Receiving ISFAP as a funding opportunity has helped me a lot, and without it, I don't think I would have been able to accomplish my goals of obtaining my degree."

Mokgadi's journey is a testament to the transformative impact of targeted financial aid and dedicated support. Coming from a background where higher education seemed like an unreachable dream, Mokgadi's determination and potential were nurtured through the strategic support of ISFAP and ISSF. Supporting

Mokgadi's academic needs is a significant step towards empowering her to make meaningful contributions to the field of Mathematical Sciences.

"To my fellow peers, let's not let our home backgrounds be an obstacle in furthering our studies. There are bursaries like ISFAP that are there for you both financially, academically, and emotionally. All you need to do is go to school and study."

" I would like to thank ISFAP and INSETA for pulling through for me. I really appreciate it, and I hope that they continue making other people's dreams come true for many more years to come."

The Insurance Sector Student Fund is intentional about sustaining partnerships not only with Strategic Implementation Partners but also with Co-Funders, higher education institutions, and other entities to empower and upskill young people in South Africa. The ISSF is sent each year to fund more learners through these significant partnerships.

ISSF HIGHLIGHTS

The Insurance Sector Student Fund (ISSF), a Co-funded bursary model implemented by INSETA, has in its three years of operation marked a transformative turnaround for less fortunate yet academically excelling youth and workers across the nation. Established in 2021, the ISSF in the past three years of its operation has funded 425 beneficiaries to the amount of R45 million, whereas in this current financial year, the ISSF has committed to support 417 beneficiaries in both Public and Private HEI's and it's Strategic Partners to the amount of R30 million.

The fund is segmented into four different categories which include Co-funders/Employers, HEIs Strategic Implementation Partners and the South African Public that consists of unemployed youth and employed individuals. The ISSF has managed to preserve relationships with stakeholders in the different categories in quest to skill, upskill, reskill and multi-skill students, graduates and workers across a multitude of economic sectors, prioritising the Insurance and related sectors.

This initiative is not just about financial support; it represents a profound shift in opportunity, inspiration and skills development, by bridging the gap between education and access, through funding. The fund has empowered countless young minds to pursue higher education and realize their full potential.

The ISSF in the financial year 2023/24 embarked on its first Rural and Township outreach, with the aim to reach youth living in remote rural areas and townships. One of the founding aspirations of the ISSF is to reach youth in rural areas and who are in dire need of the funding, who come from disadvantaged communities and families, and despite of these circumstances strive to be Top Achievers. The aim of the drive is to have an information session with the grade 11/12 learners, to inform them of opportunities and application process of the fund.

The ISSF is intentional about funding excellence, and in 2024 begun the Matric Top Achiever initiative in prospectus of funding school leaving learners. This year the ISSF funded six learners, Matric Class of 2023, absorbed through the rural development and township drive and through a significant partnership with the Department of Basic Education (DBE). The learners funded have performed above average and were top learners in their local secondary schools such as Makala Secondary School; Gija-Ngove Secondary School and Potani Secondary School in Limpopo. The ISSF aims to be a flagship sponsor of the DBEs Matric Top Achievers.

TSHWANELO MOTAUNG

Equity:	Unemployed Beneficiary
Qualification:	Bachelor of Accounting
Institution:	University of Johannesburg

The ISSF funding had such an enormous impact in my life, it came at a time where I had given up with finding funding for my studies and I didn't have any hope to continue with my studies due to lack of funding. Receiving funding from the ISSF entity encouraged me to pursue my studies and work even harder. The funding gave me motivation to do everything to the best of my abilities and push myself to greater heights.

SIZWE MATHEBULA

Equity:	Employed Beneficiary
Qualification:	Master in Business Adminstration
Institution:	Tshwane of Technology

As the beneficiary of the ISSF bursary, I am thrilled to inform you that I have completed my Master of Business Administration (MBA) degree from the Tshwane University of Technology, and I will be graduating on 24 April 2024.

I want to thank the ISSF for the financial support that played a crucial role in making this achievement possible. Your financial assistance allowed me to focus on my studies and enabled me to fully immerse myself in the programme and maximise my learning potential. I am happy to share that I have acknowledged INSETA in my dissertation, recognising the crucial role the ISSF played.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LINKING PERFORMANCE WITH BUDGETS

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

Programme/activity/objective	2022/23			2023/24		
	Budget R'000	Actual Expenditure R'000	Over/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	Over/Under Expenditure R'000
Adult Education and Training	225 000	162 500	62 500	963 000	65 250	897 750
Bursary Programmes - Youth	90 816 000	64 670 372	26 145 628	84 316 000	80 265 359	4 050 641
Bursary Programmes - Workers	38 700 000	36 404 919	2 295 081	32 100 000	26 703 037	5 396 963
Candidacy Programmes	0	25 150	(25 150)	1 123 500	3 430	1 120 070
CET Lecturer Development	112 500	112 500	0	80 250	154 812	(74 562)
Co-Operatives Support	375 000	0	375 000	802 400	1 768 964	(966 564)
Internship Programmes	62 500 500	66 368 924	(3 868 424)	53 928 000	47 882 247	6 045 753
ISSF	0	15 971 346	4 028 654	20 000 000	19 270 256	(19 270 256)
Learnership Programmes Youth	87 483 500	48 528 096	38 955 404	69 661 280	71 424 699	(1 763 419)
Learnership Programmes Workers	19 350 000	25 123 149	(5 773 149)	17 120 000	19 316 100	(2 196 100)
Promotion of Insurance	10 750 000	3 132 208	7 617 792	5 700 000	3 855 197	1 844 803
Qualification and Assessment Development	4 000 000	1 709 485	2 290 515	6 014 096	2 420 877	3 593 219
Recognition of Prior Learning	4 800 000	4 271 400	528 600	2 282 310	2 991 600	(709 290)
Retiree Programme	0	700 672	(700 672)	4 306 750	467 115	3 839 635
Sector Research Programmes	16 704 205	1 171 400	15 532 805	17 590 000	9 681 888	7 908 112
Skills Programmes Youth	6 500 000	4 483 050	2 016 950	4 312 100	1 134 900	3 177 200
Skills Programmes Workers	12 375 000	17 465 009	(5 090 009)	25 680 000	7 516 477	18 163 523
Special Projects	15 000 000	77 750 922	(62 750 922)	13 527 250	48 638 668	(35 111 418)
TVET Lecturer Development	600 000	9 761 321	(9 161 321)	353 100	369 648	(16 548)
Work Integrated Learning Programmes	51 922 500	49 143 795	2 778 705	45 774 600	54 753 256	(8 978 656)
Total	**427 581 705**	**430 255 131**		**405 634 636**	**395 037 592**	

4. REVENUE **COLLECTION**

Sources of revenue	2022/23			2023/24		
	Estimate R'000	Actual Amount Collected R'000	Over/Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	Over/Under Collection R'000
DHET Levies	594 835	631 844	-37 009	621 305	692 003	70 698
Total	**594 835**	**631 844**	**-37 009**	**621 305**	**692 003**	**70 698**

5. CAPITAL **INVESTMENT**

Infrastructure projects	2022/23			2023/24		
	Budget R'000	Actual Expenditure R'000	Over/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	Over/Under Expenditure R'000
	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

The INSETAs asset register remained up-to-date during the period under review, with bi-annual asset verifications conducted during the interim and financial year-end.

The current state of the public entity's capital assets is that 33% were in bad condition and subsequently impaired in the year under review, and 67% were reported to be in good condition.

No major maintenance projects have been undertaken during the period under review.

PART C
GOVERNANCE

1. INTRODUCTION

The Insurance Sector Education and Training Authority (INSETA) is a statutory body established in terms of Section 9(1) of the Skills Development Act (Act No. 97 of 1998) (SDA) to enable its stakeholders to advance the national and global position of the insurance industry. The Act outlines the INSETA's powers, functions, and Accounting Authority (AA) composition.

In terms of the Public Finance Management Act (Act No. 1 of 1999) (PFMA), INSETA is a Schedule 3A public entity with statutory obligations and responsibilities. In delivering its mandate, the SETA and its Accounting Authority (AA) are governed by the SDA, PFMA, the Skills Development Levies Act (SDLA), the SETA Standard Constitution, and other applicable legislation.

INSETA is governed and controlled by the AA, which is appointed by the Minister of Higher Education, Science, and Innovation in consultation with the National Skills Authority (NSA) in terms of Section 11 of the SDA. The AA is responsible for providing strategic direction to INSETA and ensuring that the organisation achieves its objectives and implements its mandate. It reports to Parliament through the Executive Authority regarding its performance in executing its mandate under the Act and in line with the Strategic Plan (SP), Annual Performance Plan (APP), and budgets as agreed with the Executive Authority and sanctioned by Parliament. Parliament, the Executive Authority, and the INSETA's AA are responsible for corporate governance.

During the financial year under review, management prepared and submitted relevant policies from various divisions for the AA's approval. The AA relies on the support of its established board committees which include the Executive Committee (EXCO), Audit and Risk Committee (ARC), including the Risk Management Committee as a sub-committee under the ARC, Finance Committee (FINCO), and Human Resources and Remuneration Committee (HRRC). As the AA members are non-executive directors and do not have operational responsibilities, the Chief Executive Officer (CEO), in terms of Section 56 of the PFMA, is delegated by the AA to manage the day-to-day operations, including the supervision of staff and the management of resources within the organisation.

Good corporate governance is fundamental to the operations of INSETA and is clearly demonstrated by the organisation's commitment to a sound ethical culture, transparency, and accountability.

2. PORTFOLIO COMMITTEE

The Portfolio Committee on Higher Education, Science, and Innovation exercises its oversight role over the service delivery performance of the public entity and reviews the non-financial information contained in the annual reports of the public entity. For the period under review, INSETA had not been invited to the Higher Education and Training Parliamentary Portfolio Committee but was invited by the National Skills Authority to account for the entity's financial and operational performance supporting the INSETA mandate.

3. EXECUTIVE AUTHORITY

The Executive Authority of INSETA is the Minister of Higher Education, Science, and Innovation. During the period under review, INSETA complied with all PFMA and other compliance requirements and submitted the required documentation on the following basis:

- Quarterly reporting of both financial and non-financial information;
- The annual budget and strategic plan;
- The annual performance plan; and
- The annual sector skills plan.

4. THE ACCOUNTING AUTHORITY

The AA and INSETA board are the highest decision-making structures that provide leadership and uphold the principles of good corporate governance within the organisation. The AA governs and performs oversight of the affairs of INSETA, including retaining full and effective control and management of INSETA in accordance with relevant legislation. It is responsible for the formulation and review of the strategic direction of INSETA and ensures that INSETA delivers on the requirements of the SDA and adherence to the PFMA.

The role of the AA is as follows:

- Govern and manage the SETA in accordance with the PFMA, SDA, and any other applicable legislation;
- Set a strategic direction for the SETA;
- Provide effective leadership and ensure that the SETA implements the outcomes of the NSDP 2030 and the Performance Agreement with the Minister;
- Liaise at the leadership level with stakeholders;
- Ensures that the SETA achieves its predetermined objectives and other targets;
- Manage institutional and reputational risk;
- Monitor the performance of the SETA;
- Ensure that the SETA complies with relevant statutory requirements;
- Perform its functions as required by the SDA;
- Meets the targets in the NSDP; and
- Adherence to the requirements of the PFMA and Treasury Regulations.

ACCOUNTING AUTHORITY COMPOSITION

The INSETA Board is appointed in line with Sections 11(1) and (2) of the Skills Development Act, Act. 97 of 1998 (SDA). The current serving board was appointed by the Minister of Higher Education, Science, and Innovation, effective 1 April 2020, through 31 March 2025.

The structure of the INSETA AA is as follows:

- One (1) independent chairperson;
- Six (6) organised employer representatives;
- Six (6) organised labour representatives; and
- Two (2) professional bodies representatives.

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings attended
JS Ngubane	Chairperson	1 April 2020	N/A	National Diploma in Information Technology	Information Technology Project Management	Metropolitan Trading Company (MTC), Johannesburg Metro, Tshwane North TVET College	EXCO	36
RG Govender	Organised Employer	1 April 2020	N/A	BCom(Accounting) MCom(Taxation) Advanced PG Diploma in Financial Planning Hold the designations: Professional Accountant(SA) CFP Professional Chartered Director(SA)	Accounting, Taxation; Financial Planning and Corporate Governance	Chairman: SAIPA, Chairman PPS Investments, Trustee PPS and Coronation Retirement Funds	Independent Audit chair: Ombud for Short term Insurance	12
L vd Merwe	Organised Employer	1 April 2020	N/A	Post Graduate Diploma in Management Practice	Strategic Leadership; Stakeholder Relations Management; Sales Management	Financial Sector Transformation Council (FSTC) INSETA *Ex officio* member of the Financial Intermediaries Association of Southern Africa (FIA)	FSTC HR Committee Chairperson, Executive Member of the World Federation of Insurance Intermediaries, BUSA Economic Policy Standing Committee	17
V Pearson	Non-executive Director	1 April 2020	N/A	BA Honours Degree in Political Science and Journalism	Communications Strategy; Governance and Regulatory Compliance; Industry Initiatives; and Consumer Education	South African Insurance Association NPC (SAIA) Financial Sector Transformation Council NPC (FSTC) The Ombudsman for Short-term Insurance NPC (OSTI) National Financial Ombud Scheme of South Africa NPC (NFO) Centre of Excellence in Financial Services NPC (COEFS)	Board Committee – Finance Committee BOARD Joint FINCO & ARC	15

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings attended
K Sungay	Organised Employer	30 November 2022	N/A	Baccalaurus Iurisprudentiae (Law)	Law, Financial Services	Parowvalley Islamic Association (PVIA)	Rylands High Alumni	22
P Mendes	Organised Employer	1 April 2020	6 February 2024	Honours in Clinical Psychology ETDP Certificate	Skills Development & EE	Not Applicable	HRRC	6
Z Motsa	Organised Employer	1 April 2020	N/A	- Master of Business Administration (MBA) - B-tech Information Technology	Business Management (Strategy and Operational); Information & Technology Management; Leadership;IT Governance	INSETA Imbali Visual Literacy Project	Previously HRRC Chairperson and ARC member (2020 - 2023)	6
F Mabaso	Professional Bodies	1 April 2020	N/A	Bachelor of Commerce	Governance and Regulatory	INSETA FSCA	Human Resources and Remuneration Committee	10
MS Mpuru	Professional Bodies	1 April 2020	N/A	BComm, MBA	Insurance: Life; Investments; Short Term; Funeral; Pensions and Provident Funds; Tax; SMME Consulting.	BIAC, INSETA	FINCO	21
CB Botha	Organised Labour	April 2020	N/A	BA (Law & Pol Sci) LLB	Labour and Business Law	INSETA	ARC and Finco	19
SA Anders	Organised Labour	March 2020	N/A	Degree	Human resource	Inseta	HRC	12
M Soobramoney	Organised Labour	1 April 2020	N/A	NQF Level 8 Certificate in Advanced Labour Law	Employee Relations	None	Chairperson of the HRRC	13
ST Dinyake	Organised Labour	1 April 2020	N/A	Bachelor of Administration	Learning and Development Trainer / Facilitator	INSETA	EXCO	4
NB Jonas	Organised Labour	1 April 2020	N/A	MDP Certificate in Banking Secretarial Diploma	Banking Customer Services	INSETA	HRRC FINCO	13
JJM Mabena	Organised Labour	1 April 2020	N/A	MMDP	Financial Advisor	INSETA	EXCO	21

BOARD MEMBERS

SJ NGUBANE
Board Chairperson
April 2020 - June 2024

RG GOVENDER
Organised Employer

L VD MERWE
Organised Employer

V PEARSON
Organised employer

K SUNGAY
Organised Employer

P MENDES
Organised Employer

Z MOTSA
Organised Employer

F MABASO
Professional Bodies

MS MPURU
Professional Bodies

CB BOTHA
Organised Labour

SA ANDERS
Organised Labour

M SOOBRAMONEY
Organised Labour

ST DINYAKE
Organised Labour

NB JONAS
Organised Labour

JJM MABENA
Organised Labour

AUDIT AND RISK COMMITTEE

G MNGUNI
Audit and Risk Committee Chairperson

Y PAMLA
Audit and Risk Committee Member

A NCHOE
Audit and Risk Committee Member

INDEPENDENT RISK MANAGEMENT COMMITTEE CHAIRPERSON

V MAKALENI
Independent Risk Management Committee Chairperson

COMMITTEES

Committee	No. of meetings held	No. of members	Name of members
Executive Committee	8	4	• JS Ngubane - Chairperson • L vd Merwe • K Sungay • JJM Mabena
Audit & Risk Committee	4	5	• N Nyakaza – Chairperson until 31 October 2023 • R Tshimomola – Member until 31 October 2023 • M Phiri – Member until 31 October 2023 • G Mnguni – Appointed Chairperson 1 November 2023 • A Nchoe – Appointed 1 November 2023 • Y Pamla – Appointed 1 November 2023 • CB Botha • K Sungay
Finance Committee	4	5	• RG Govender - Chairperson • V Pearson • MS Mpuru • CB Botha • NB Jonas
Human Resources & Remuneration Committee	3	5	• M Soobramoney – Chairperson • NB Jonas • F Mabaso • AP Mendes – Resigned February 2024 • SA Anders
Joint ARC/FINCO Committee	1	10	• N Nyakaza – Chairperson until 31 October 2023 • R Tshimomola – Member until 31 October 2023 • M Phiri – Member until 31 October 2023 • CB Botha • K Sungay • VA Makaleni (Invitee) • RG Govender • V Pearson • MS Mpuru • CB Botha • NB Jonas

Name	Remuneration	Other allowance	Other re-imbursements	Total
JS Ngubane	408 150	0	0	**408 150**
RG Govender	84 829	0	0	**84 829**
L vd Merwe	116 036	0	0	**116 036**
V Pearson	67 454	0	0	**67 454**
K Sungay	157 848	0	0	**157 848**
P Mendes	48 788	0	0	**48 788**
Z Motsa	0	0	0	**0**
F Mabaso	0	0	0	**0**
MS Mpuru	89 982	0	0	**89 982**
CB Botha	122 355	0	0	**122 355**
SA Anders	83 384	0	0	**83 384**
M Soobramoney	83 976	0	0	**83 976**
ST Dinyake	19 663	0	0	**19 663**
NB Jonas	93 594	0	0	**93 594**
JJM Mabena	138 142	0	0	**138 142**

REMUNERATION OF BOARD MEMBERS

Board members are non-executive directors and not INSETA staff members. Fees are paid to the board and committee members for their attendance and contributions to official meetings and responsibilities as members (in line with the Board Remuneration Policy). Board members are remunerated at a daily rate aligned to Category S rates as prescribed by the National Treasury guideline and published from time to time. Members are reimbursed for out-of-pocket expenses when attending official INSETA business. Independent non-executive members of the ARC are paid as per SAICA rates as approved by the Minister. Board members employed by the organs of the state are not entitled to remuneration.

5. RISK MANAGEMENT

The implementation of risk management within INSETA is guided by a Risk Management Policy and Framework which have been duly approved by the board. The Policy and Framework are integrated into the organisational operations through a Risk Management Strategy and Implementation Plan.

INSETA identifies risks at the strategic, operational, and project levels and ensures that measures are put in place to mitigate such risks, thus increasing the probability of the organisation delivering on its mandate. The authority also maintains a fraud risk register as well as compliance risk management plans. For the year under review, INSETA has maintained active strategic, operational, project, and fraud risk registers and also ensured that compliance risk management plans were developed and progress on these registers was reported quarterly to the relevant governance structures.

The board has established a risk management committee as a sub-committee of the ARC. The risk management committee is chaired by an independent external chairperson. The committee meets on a quarterly basis and provides oversight and guidance on the organisational risk management arrangements. The committee is governed by its approved terms of reference, and the activities are guided by an approved work plan.

The risk management committee provides quarterly reports on the implementation of risk management to the audit and risk committee. The audit and risk committee provides oversight on the adequacy and effectiveness of the risk management processes followed within the institution. Both the strategic risk register and the report of the risk management committee chairperson are standing items on the agenda of the audit and risk committee.

For the year under review, INSETA has implemented 80% of the strategic risk action plans and 89% of the operational risk action plans, which have a direct correlation with the performance achieved by the institution.

6. INTERNAL CONTROL

Internal controls are the policies, procedures, and processes put in place by the entity to safeguard its assets, promote compliance, prevent fraud, promote accountability, ensure effective operations, and ensure the integrity of financial and performance information. INSETA has a policy register that is monitored on a weekly basis to ensure that its policies, procedures, frameworks, and strategies are reviewed timeously. INSETA has reviewed and approved 35 policies in the financial year.

7. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE (ARC)

INSETA has an outsourced Internal Audit Function. The primary objective of the Internal Audit function is to provide a comprehensive service to ensure adequate measures and procedures are in place for sound economic, effective and efficient management as required by the Public Finance Management Act and King IV Code on Corporate Governance. Internal Audit conduct audits to assist management in the effectiveness of the organisations system of internal controls and performance.

The scope of Internal Audit is to determine whether management has designed and implemented processes to ensure:

- Risks are appropriately identified and managed;
- Interaction with the various governance groups occurs as needed;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Employees actions are in compliance with policies, standards, procedures and applicable laws and regulations;
- Resources are acquired economically, used efficiently and adequately protected;
- Programmes, plans and objectives are achieved;
- Quality and continuous improvements are fostered in the organisations control process;
- Significant legislative or regulatory issues impacting on the organisation are recognised and addressed appropriately;
- Objectives and values are established and communicated; and Accountability is ensured; and

Internal Audit has an approved Internal Audit Charter that defines the function's purpose, authority and responsibilities. The Internal Audit planning documents were also considered and approved by the Audit and Risk Committee (ARC) on the 8th of October 2023. The rolling three year strategic plan as well as the annual operation plan were developed following a risk based approach. The following reviews were conducted as per the approved 2023/24 Internal Audit Operational Plan:

- Unaudited annual performance information;
- Unaudited financial statements compliance review;
- Information Technology – Security controls follow up;
- Human Resource Management;
- Skills Plan Implementation;
- Quality Assurance (ETQA);
- Performance Information (Performance against objectives) – Quarter 1 to Quarter 3;

THE TABLE BELOW DISCLOSES RELEVANT INFORMATION ON AUDIT COMMITTEE MEMBERS

Name	Qualifications	Internal or external	Date appointed	Date Resigned	No. of Meetings attended
CB Botha	• BA (Law & Pol Sci) LLB	External	1 April 2020	N/A	3
KAA Sungay	• Baccalaurus Lurisprudentiae (Law)	External	30 November 2022	N/A	4
N Nyakaza	• CA(SA)	External	1 October 2020	31 October 2023	4
R Tshimomola	• B.Com Accounting	External	1 October 2020	31 October 2023	2
M Phiri	• B. Com Accounting • B. Compt Honours • CA(SA)	External	2 March 2022	31 October 2023	1
G Mnguni	• B.Com Accounting • CA(SA)	External	1 November 2023	N/A	3
Y Pamla	• B.Com Accounting • CA(SA) • Postgraduate Diploma in Management (Financial Accounting) • Postgraduate Diploma in Accounting	External	1 November 2023	N/A	3
A Nchoe	• CA(SA) • B.Com (Accounting Sciences) (Honours)	External	1 November 2023	N/A	3

- Supply Chain Management
- Review of Annual Performance Plan;
- Internal Financial Control;
- Interim Financial Statements;
- Follow up on Auditor-General of South Africa (AGSA) Findings;
- Governance and Compliance;
- SCM Probity Review.

KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE (ARC)

The INSETA has an independent ARC that was appointed in line with the requirements of Section 51(1) of the PFMA and National Treasury Regulation 27.1. It is a sub-committee of the INSETA AA. The ARC operates within the parameters of ARC Terms of Reference which was approved by the AA that guides it in fulfilling its oversight responsibilities. These oversight responsibilities include the financial reporting process, the system of internal control, risk management, corporate governance, IT Governance, performance information, the audit process and the organisations process for monitoring compliance with laws and regulations.

The ARC has an independent role to oversee and make recommendations to the INSETA Board for its consideration and final approval.

The role of the committee is to provide independent assurance and assistance to the Board on:

- Control, governance and risk management;
- Oversight on ethics and professional conduct; and
- Prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the INSETA.

8. COMPLIANCE WITH LAWS AND REGULATIONS

INSETA complies with the reporting requirements as prescribed by the National Treasury and the DHET. It has submitted its strategic plan, annual performance plan, sector skills plan, and SETA quarterly financial and performance reports within the regulated timeframes. Policies and procedures were developed to guide financial management, human resources management, and the implementation of operational activities.

INSETA reviews its regulatory environment regularly and has developed and approved a Compliance Regulatory Universe for all applicable laws and regulations. Compliance risk management plans have been developed and are monitored on a quarterly basis.

9. MINIMISING CONFLICT OF INTEREST

INSETA board members, board committee members, and employees are required to declare conflicts of interest on appointment and annually thereafter. The declaration of interest is a standing agenda item for all INSETA governance structure committees, including all bid committee meetings, with members completing the declaration of financial and other business interest at every meeting. Formal declarations of interest are noted, and records are kept in accordance with board and committee meeting requirements as well as for the supply chain management activities to ensure that conflicts of interest are minimised. No incidents of conflict of interest were reported for the year under review.

10. CODE OF CONDUCT

The INSETA code of conduct aims to promote a culture of ethics, honesty, and professionalism within the organisation and among its employees and stakeholders. INSETA board members, board committee members, and employees have to subscribe to and abide by the INSETA code of conduct.

INSETA is committed to its code of conduct and promotes the highest standards of ethics, professionalism, and accountability.

11. FRAUD AND CORRUPTION

INSETA has implemented mechanisms to prevent, deter, and detect fraud. The institution has conducted an organisation-wide fraud risk assessment, which has informed the development of the fraud prevention plan. The implementation of the fraud prevention plan is monitored on a quarterly basis, and progress is reported to the risk management committee as well as the audit and risk management committee.

INSETA has also developed a whistleblowing policy that is fundamental to the institution's professional integrity and reinforces a culture of openness, honesty, and accountability in all INSETA operations.

INSETA has adopted a zero-tolerance towards any form of fraud, corruption, or maladministration. This is aligned with the principles of good corporate governance. Employees as well as members of the public are encouraged to report fraud and corruption through the Fraud and Ethics Hotline, which is managed by an external party. The fraud hotline provides whistleblowers with various options, including being totally anonymous, for making disclosures.

Reports of fraud and corruption are routed to the board chairperson as well as the audit and risk management committee chairperson. All reports are assessed, and investigations are conducted where necessary.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

INSETA has appointed Health and Safety representatives who have undergone training. A risk assessment has been conducted to identify health and safety risks and these are managed and monitored monthly.

13. COMPANY/BOARD SECRETARY

The company secretary is an outsourced function that resides within the office of the executive manager for risk management, with functional reporting to the AA through the AA chairperson. The company secretary has a key role to play in ensuring that the board procedures are followed and regularly reviewed. As part of the key responsibilities, the company secretary provides the board and committee members with guidance regarding their fiduciary duties and responsibilities. Governance compliance reports are submitted quarterly to the DHET, and minutes of all board and committee meetings are recorded by the company secretary as per the required governance prescripts.

The role of the Company Secretary includes, but is not limited to:

- Assist the AA in the conduct of the affairs of INSETA;
- Maintain statutory records;
- All necessary steps are taken to ensure that meetings are held as scheduled;
- Preparation and distribution of board and board committee meeting packs;
- Compilation of the annual calendar for board and board committee meetings;
- Managing conflicts of interest for board and board committee members; and
- All AA decisions and resolutions are properly recorded to track and monitor implementation and follow through as resolved in the meeting.

14. SOCIAL RESPONSIBILITY

Demonstrating our commitment to corporate social responsibility, INSETA partnered with Local Government Sector Education and Training Authority (LGSETA) in donating food items for families in need, in the Inanda area. This support was crucial following the flooding disaster in the Kwa-Zulu Natal region.

15. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(iii) and 76(4)(d) of the Public Finance Management Act and Treasury Regulation 27.1.7 and 27.1.10(b) and (c). The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The PFMA requires the Accounting Authority to ensure that the entity has and maintains effective, efficient, and transparent systems of financial, risk management and internal control, while it is the Committee's role to review the effectiveness of internal controls and oversee risk management.

INSETA has outsourced the Internal Audit function which functionally reports to the ARC. The Internal Audit functions are carried out in accordance with the Internal Audit Charter and its activities guided by a risk-based three- year rolling Audit Plan, both of which are approved by the ARC. Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

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

- Unaudited Annual Performance Report;
- Unaudited Annual Financial Statements Compliance Review;
- Information Technology – Security Controls – Follow Up;
- Performance Information (Performance against Objectives) – Quarter 1 to Quarter 3;
- Human Resource Management;
- Quality Assurance;
- Interim Financial Statements Review;
- Review of Annual Performance Plan;
- Supply Chain Management;
- Internal Financial Control;
- Follow Up – AGSA Findings;
- Governance and Compliance;
- Skills Plan Implementation (Learnerships, Bursaries, Internships and Other Learning Programmes);
- Ad-hoc Probity Review – ETQA- Data clean up.

The following were areas of concern:

- Skills Plan Implementation (Learnerships, Bursaries, Internships, and Other Learning Programmes);
- Information Communication Technology – Security and General Controls;
- Quality Assurance;
- Internal Financial Control;
- Performance Information; and
- Human Resource Management.

Through the Committee's analysis of the internal audit reports and engagement with the entity officials, the ARC concludes that the internal control environment of INSETA needs improvement and requires management intervention in order to strengthen the environment.

CAPACITY WITHIN THE FINANCE DEPARTMENT

The filling of the positions which were vacant within the Finance and Supply Chain Management Units was finalised during the financial year, including positions of the Finance and Supply Chain Managers. The Committee concluded that there is room for upskilling and training in the finance department and will monitor this in the ensuing financial year.

IN-YEAR MANAGEMENT AND MONTHLY/ QUARTERLY REPORT

The ARC reviewed the quarterly reports submitted by Management during the year under review and provided the requisite assurance to the AA in relation to these reports as per the approved Charter. ARC has satisfied itself that the public entity has submitted monthly and quarterly reports to the Executive Authority.

EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the public entity before and after the audit. The Committee is concerned about the adequacy and effectiveness of internal controls and the sufficiency and appropriateness of audit evidence as well as measures in place for efficient retrieval thereof for audit purposes.

EVALUATION OF AGSA AUDITOR REPORT AND MANAGEMENT REPORT

The Auditors' Report and Management Report issued by the Auditor-General were presented to the ARC. The Committee is also satisfied with the Management commitment to develop action plans to address the control deficiencies identified by the Auditor-General in relation to the Financial Statements and will monitor the implementation of these action plans in the ensuing financial year.

The ARC has noted the findings of the AGSA in respect of the adequacy of the audit action plans and the implementation thereof and will strive to ensure that the internal control deficiencies, adequacy and effective implementation of the audit action plans are improved.

The Audit Committee concurs and accepts the conclusions of the external auditor 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.

GP Mnguni

Ms. GP Mnguni
Chairperson of the Audit and Risk Committee
Insurance Sector Education and Training Authority
31 July 2024

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	As per the National Treasury Guidelines.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	Yes	This is done through the Discretionary Grants and Special Projects Policies
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	This is done through the Discretionary and Special Projects Policies

PART D
HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

OVERVIEW OF HUMAN RESOURCE (HR) MATTERS AT THE PUBLIC ENTITY

The HR department is a strategic support partner that seeks to enable the achievement of the INSETA organisational objectives. INSETA achieves APP targets through people, resources, systems as well as policies and procedures.

The Annual Human Resources Operational plan highlights the strategic HR value chain activities that include work analysis, workforce planning which includes organisational structure review, recruitment and selection, remuneration and rewards, change management, training and development, performance management and development, review and implementation of policies and procedures.

HR deliverables also include HR audits, HR Risk Register, employee wellness and employee relations.

HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

- Implementation of the Human Resource Operational Plan;
- HR unqualified audit outcome;
- Sound Labour Relations;
- Filling of vacant positions in line with the revised organisational structure;
- Change management (Excellence model);
- Review of HR policies;
- Employee Wellness;
- HR Risk Management;
- Workforce planning; and
- Integrated performance management.

EMPLOYEE WELLNESS PROGRAMMES

INSETA continuously strives to ensure the provision of employee wellness services to employees. The services include counselling related to stress, financial advice, relationships matters, substance abuse, work life balance, trauma, HIV/AIDS, legal advice, family matters etc.

POLICY REVIEW

The INSETA continues to ensure that policies are updated in line with the relevant legislation (Labour Relations Act 66,1995, Basic Conditions of Employment 75,1997), and all related legislation.

During the year under review, 19 policies were reviewed and approved by the board across the different business units.

OCCUPATIONAL HEALTH AND SAFETY COMPLIANCE (OHS)

INSETA continuously strives to ensure compliance with legislation related to OHS (Occupational Health and Safety Act 85,1993 and Compensation for Occupational Injuries and Diseases Act 130, 1993 (COIDA)) and all related legislation.

HIGHLIGHT ACHIEVEMENTS

- An achieved vacancy rate below 5%; in line with APP targets..
- 96% completion of recruitment processes for all approved positions as per organisational structure.
- The approval of ten (10) HR policies.
- Awarding 32 employee bursaries for 2023/24.
- The completion of studies by the 2022 and 2023 cohorts resulting in twelve (12) bursaries for 2022 and five (5) bursaries for 2023
- The implementation of the employee group medical aid scheme.

CHALLENGES

- Delayed Broad-Based Black Economic Empowerment (B-BBEE) assessment outcome.

FUTURE HR PLANS /GOALS

- Review of the HR Strategy
- Implementation of the Human Resource Operational Plan.
- Unqualified HR Audit outcome
- Capacitation of employees on reviewed HR Policies
- Targeted training interventions
- Retention of the vacancy rate below 5%
- Annual B-BBEE Assessment
- Review Leadership and Management charter
- Review Service Delivery Charter
- Maintain sound Labour Relations
- Conduct an organisational climate survey

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 PERSONNEL RELATED EXPENDITURE

PERSONNEL COST BY PROGRAMME/ ACTIVITY/ OBJECTIVE

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Admin	107 731	42 076	39%	59	713
Projects	620 815	22 292	4%	56	398
TOTAL	**728 546**	**64 368**	**9%**	**115**	**560**

Included in the amount of R47 841 on the audited Annual Financial Statements the are expenditures relating to other employee costs which do not relate to individuals costs as per the payroll reports, the amounts are from Movement of bonus provision at financial year end, Employee wellness, Temporary staff, leave provision charge and workmen's compensation. These costs are not typically included in the payroll report, as they are not directly. related to individual employee salaries and earnings. However, they are important components of the overall employee costs that are reflected in the Annual Financial Statements.

PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	8 300	13%	4	2 075
Senior Management	13 513	21%	12	1 126
Professional qualified	3 496	5%	4	874
Skilled	20 160	31%	34	593
Semi-skilled	18 555	29%	59	314
Unskilled	344	1%	2	172
TOTAL	**64 368**	**100%**	**115**	**560**

Included in the amount of R47 841 on the audited Annual Financial Statements the are expenditures relating to other employee costs which do not relate to individuals costs as per the payroll reports, the amounts are from Movement of bonus provision at financial year end, Employee wellness, Temporary staff, leave provision charge and workmen's compensation. These costs are not typically included in the payroll report, as they are not directly. related to individual employee salaries and earnings. However, they are important components of the overall employee costs that are reflected in the Annual Financial Statements.

PERFORMANCE REWARDS

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	488	8 300	6%
Senior Management	629	13 513	5%
Professional qualified	128	3 496	4%
Skilled	1 334	20 160	7%
Semi-skilled	881	18 555	5%
Unskilled	27	344	8%
TOTAL	**3487**	**64 368**	**5%**

Included in the amount of R47 841 on the audited Annual Financial Statements the are expenditures relating to other employee costs which do not relate to individuals costs as per the payroll reports, the amounts are from Movement of bonus provision at financial year end, Employee wellness, Temporary staff, leave provision charge and workmen's compensation. These costs are not typically included in the payroll report, as they are not directly. related to individual employee salaries and earnings. However, they are important components of the overall employee costs that are reflected in the Annual Financial Statements.

TRAINING COSTS

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
All	64 368	1 770	3%	47	38
Training and development	1 770	-	-	-	-
TOTAL	66 138	1 770	3%	47	38

EMPLOYMENT AND VACANCIES

Programme/activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
All	75	99	89	10	11%

Programme/activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	4	5	4	1	25%
Senior Management	9	13	12	1	8%
Professional qualified	0	6	4	2	50%
Skilled	25	33	29	4	14%
Semi-skilled	27	40	38	2	5%
Unskilled	2	2	2	0	0%
TOTAL	**67**	**99**	**89**	**10**	

EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	0	4
Senior Management	8	4	1	11
Professional qualified	2	2	0	4
Skilled	19	6	2	23
Semi-skilled	40	8	1	47
Unskilled	2	0	0	2
TOTAL	**75**	**20**	**4**	**89**

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	3	75%
Dismissal	1	25%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	**4**	**100%**

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

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

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	7	5	0	1	0	0	0	1
Professional qualified	1	0	0	0	0	0	0	0
Skilled	7	12	0	2	0	1	0	2
Semi-skilled	16	12	0	2	0	1	0	2
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**32**	**31**	**0**	**5**	**1**	**2**	**1**	**5**

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	1	0	0	0
Senior Management	4	0	0	1	1	0	0	0
Professional qualified	3	0	0	0	0	0	0	0
Skilled	15	0	1	1	2	0	1	1
Semi-skilled	30	0	0	1	0	0	0	1
Unskilled	2	0	0	0	0	0	0	0
TOTAL	56	0	1	3	4	0	1	2

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

INSETA STAFF MEMBERS

GUGU MKHIZE
CHIEF EXECUTIVE OFFICER

FARZANA SAFLA
EXECUTIVE MANAGER: RISK MANAGEMENT

LESLIE KWAPENG
EXECUTIVE MANAGER: OPERATIONS

ZANELE MALAZA
CHIEF FINANCIAL OFFICER

LERATO JACOLINE MABITSELA
EXECUTIVE MANAGER: CORPORATE SERVICES

AKHONA WOTSHELA
LEARNING MANAGER:YOUTH PROGRAMMES

BONGI MTHOMBENI
LEARNING MANAGER: STRATEGIC PROGRAMMES

CLEMENT MAKHARI
SUPPLY CHAIN MANAGEMENT MANAGER

KGOTHATSO MODISE
LEARNING MANAGER: WORKER PROGRAMMES

NORMAN MAPHALA
HUMAN RESOURCES MANAGER

OSBORNE MKHIZE
SKILLS PLANNING & RESEARCH MANAGER

SALOME MACHAKA
RISK MANAGER

SALOSHNEE GOVENDER
STAKEHOLDER RELATIONS MANAGER

SERURUBELE MUTINHIMA
ORGANISATIONAL PLANNING, DATA AND REPORTING MANAGER

SIBUSISO ZULU
EDUCATION AND TRAINING QUALITY ASSURANCE MANAGER

TSHEMBANI MALULEKE
INFORMATION TECHNOLOGY MANAGER

TSHIAMO SENOSI
FINANCE MANAGER

LYNN MAFEKENG
PA TO CHIEF EXECUTIVE OFFICER

MARIA NKOMO
PA TO EXECUTIVE MANAGER: OPERATIONS

MATIMBA BALOYI
PA TO CHIEF FINANCIAL OFFICER

NOMUSA ZUNGU
PA TO EXECUTIVE MANAGER: RISK MANAGEMENT

KHONGISA MNGOMA
SENIOR SPECIALIST: ORGANISATIONAL PLANNING, DATA AND REPORTING

MONICA MARUMO
SENIOR SPECIALIST: SUPPLY CHAIN MANAGEMENT

NOKUTHULA MOKASE
SENIOR FINANCE ACCOUNTANT

PFARELO NETSHIKULWE
SENIOR FINANCE ACCOUNTANT

BAYATHANDWA SHEMBE
BUSINESS ANALYST

CHALLOT BODIBE
CUSTOMER RELATIONSHIP MANAGEMENT OFFICER

ERNEST KAPLAN
SKILLS RESEARCH SPECIALIST

JUDITH MOYANA
HUMAN RESOURCES SPECIALIST

KGOMOTSO MAKGALENG
LEARNING SPECIALIST: YOUTH PROGRAMMES

KHAZWINAKE MPHEPHU
DEMAND, CONTRACT & COMPLIANCE SPECIALIST

LINDIWE PHAKATHI
LEARNING SPECIALIST: STRATEGIC PROGRAMMES

LONDON MALINGA
SKILLS PLANNING SPECIALIST

LUSANI NETSHITAVHADULU
INFORMATION TECHNOLOGY DEVELOPER

NELISIWE BOPHELA
BUSINESS ANALYST

NERISSA SHEOPERSHAD
CORPORATE GOVERNANCE SPECIALIST

NKOSINATHI GABUZA
LEARNING SPECIALIST: STRATEGIC PROGRAMMES

NYIKO MAHOLOBELA
EDUCATION AND TRAINING QUALITY ASSURANCE SPECIALIST

PASEKA PEBANE
PROJECT CO-ORDINATOR

PHUMELELE SITHOLE
LEARNING SPECIALIST: YOUTH PROGRAMMES

PHUTHI SEANEGO
FINANCIAL ACCOUNTANT

PORTIA NONYANE
FINANCIAL ACCOUNTANT

SIPHIWE YENDE
LEARNING SPECIALIST: WORKER PROGRAMMES

STANLEY MATENDE
EDUCATION AND TRAINING QUALITY ASSURANCE SPECIALIST

THABANI MLALA
FACILITY OFFICER

THEMBISILE MAHLANGU
LEARNING SPECIALIST: WORKER PROGRAMMES

TSHEPO MABIKA
STAKEHOLDER RELATIONS SPECIALIST

ZANELE MASHIANE
ORGANISATIONAL PLANNING, DATA AND REPORTING SPECIALIST

ASAVELA PUMELO
YOUTH PROGRAMMES ADMINISTRATOR

ATHI NOMAVILA
YOUTH PROGRAMMES ADMINISTRATOR

AUBREY MANGANYI
SKILLS PLANNING ADMINISTRATOR

COMFORT MOKOU
FINANCE ADMINISTRATOR

DIMAKATSO RICHARD
HOUSEKEEPER

ESETHU RORO
EDUCATION AND TRAINING QUALITY ASSURANCE ADMINISTRATOR

HALALISANI NGWENYA
FINANCE ADMINISTRATOR

IVY CHAN
EDUCATION AND TRAINING QUALITY ASSURANCE ADMINISTRATOR

JACOB MABOTJA
WORKER PROGRAMMES ADMINISTRATOR

JEAN-MICHEL KANDOLO
EDUCATION AND TRAINING QUALITY ASSURANCE CERTIFICATION ADMINISTRATOR

KAMOGELO SENGAKANA
WIL ADMINISTRATOR

KATLEGO SIKO
INTERNSHIPS ADMINISTRATOR

KGOMOTSO MAKWE
ETQA ADMINISTRATOR

KGOTHATSO SIBULELA
ETQA ADMINISTRATOR

LEBOGANG MABUSELA
ORGANISATIONAL PLANNING, DATA AND REPORTING ADMINISTRATOR

LEBOGANG MMOLA
YOUTH PROGRAMMES ADMINISTRATOR

LEBOHANG MASHEGO
WORKER PROGRAMMES ADMINISTRATOR

LEBOHANG TSHABALALA
WORKER PROGRAMMES ADMINISTRATOR

MANCHA KOKO
IT ADMINISTRATOR

MARGARET JANFEKE
RECEPTIONIST

MARTIN KOLELE
CAREER GUIDANCE ADMINISTRATOR

MATHOTO MOKASANE
WORKER PROGRAMMES ADMINISTRATOR

MIKATEKO MASSANGO
ORGANISATIONAL PLANNING, DATA AND REPORTING ADMINISTRATOR

MIRANDA MTHETHWA
ETQA CERTIFICATION ADMINISTRATOR

MMAKADIKWA MASHISHI
STRATEGIC PROJECT ADMINISTRATOR

NELISIWE XABA
YOUTH PROGRAMMES ADMINISTRATOR

NOKULUNGA MOKUBUNG
WORKER PROGRAMMES ADMINISTRATOR

NOKUTHULA SHABANGU
ETQA ADMINISTRATOR

NOMSA MAGHENA
YOUTH PROGRAMMES ADMINISTRATOR

NOZIZWE MATHOLE
ISSF PR & MARKETING COORDINATOR

NTEBELLENG PAKKIES
STRATEGIC PROGRAMMES ADMINISTRATOR

NTHABISENG KEKANA
ETQA ADMINISTRATOR

NTHABISENG MAZIBHUKO
WORKER PROGRAMMES ADMINISTRATOR

OSCAR NKUDLA
WORKER PROGRAMMES ADMINISTRATOR

OUMA NKOADI
ETQA ADMINISTRATOR

PRIMROSE MOYO
HUMAN RESOURCES ADMINISTRATOR

REMOFILOE MOGAPI
YOUTH PROGRAMMES ADMINISTRATION

RONY BALOYI
WIL ADMINISTRATOR

RUDZANI NEKHUMBE
ORGANISATIONAL PLANNING, DATA AND REPORTING ADMINISTRATOR

SABELO MABASA
IT ADMINISTRATOR

SABELO MADONSELA
FINANCE ADMINISTRATOR

SELLO BALOYI
FINANCE ADMINISTRATOR

SENZO MHLONGO
SUPPLY CHAIN MANAGEMENT ADMINISTRATOR

SIZAKELE MDLALOSE
ORGANISATIONAL PLANNING, DATA AND REPORTING ADMINISTRATOR

XOLANI XHEKU
ETQA ADMINISTRATOR

ZIMASA MDUDUMA
YOUTH PROGRAMMES ADMINISTRATOR

ALUWANI MAMAFHA
INTERN-FINANCE

KEDIHITLHETSE MOEPADIRA
INTERN-WORKER PROGRAMMES

LESEDI PELELE
INTERN-FINANCE

LEVUNDO MBOTHO
INTERN-WORKER PROGRAMMES

NOMDENI MTHEMBU
INTERN-FINANCE

SAKHILE MASHI
INTERN-IT

THUSANO MBANGENI
INTERN-ISSF

PART E
PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. IRREGULAR EXPENDITURE

A) RECONCILIATION OF IRREGULAR EXPENDITURE

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	23,261	18,684
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	683	5,006
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-408	-429
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**23,536**	**23,261**

RECONCILING NOTES

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	683	5,006
Total	**683**	**5,006**

B) DETAILS OF IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	3,906
Total	**-**	**3,906**

The irregular expenditure incurred as a result of exceeding the 7.5% Project Administration Cost for the 2021/2022 financial year was concluded during April 2024 and a report will be tabled before the Accounting Authority. Internal Control measures are being implemented to monitor the spending of the Project Administration to be within the legislated threshold through monthly management reports which are tabled at Executive Committee and other Governance Structures.

C) DETAILS OF IRREGULAR EXPENDITURE CONDONED

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure condoned	-	-
Total	**-**	**-**

The process of applying for the condonation of the existing irregular expenditure to the relevant authority was unfolding as at the reporting date.

D) DETAILS OF IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	408	429
Total	**408**	**429**

The Board has, at its meeting held 29 May 2023 resolved under the resolution No. BRD038/2023 included with the Annual Financial Statements Report to approve the removal of the Irregular Expenditure incurred due to the Board appointment made by the Department of Higher Education prior conducting the necessary vetting legislative requirement. The Board resolved that the expenditure incurred as well as any future expenditure to be incurred in that regard be removed from the annual financial statements in line with the recommendations from DHET.

E) DETAILS OF IRREGULAR EXPENDITURE RECOVERABLE

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure recoverable	-	-
Total	**-**	**-**

F) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

No irregular expenditure was written off during the reporting period.

G) DETAILS OF DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DISCIPLINARY STEPS TAKEN

The internal disciplinary processes were concluded, and dismissal of the implicated official was successfully implemented as part of consequence management relating to the irregular expenditure incurred in the previous reporting period for the procurement of office lease accommodation.

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	768	768
Adjustment to opening balance	-	-
Opening balance as restated	768	768
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**R768**	**R768**

The expenditure incurred during 2021/2022 financial year relates to payments which were made to a fictitious company under Discretionery Project Grants. Investigation was concluded and consequence management enforced and disciplinary processes implemented.

RECONCILING NOTES

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

B) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**-**	**-**

No fruitless and wasteful expenditure incurred during the reporting period.

C) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	**-**	**-**

D) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERABLE AND WRITTEN OFF

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

E) DETAILS OF DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

DISCIPLINARY STEPS TAKEN

The investigation and subsequent disciplinary processes were concluded for the implicated officials. Criminal charges were laid with SAPS as per the recommendations from the investigation.

1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))

A) DETAILS OF MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Material losses through criminal conduct	2023/2024 R'000	2022/2023 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

No fruitless and wasteful expenditure incurred during the reporting period.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	2023/2024 R'000	2022/2023 R'000
Valid invoices received	-	-
Invoices paid within 30 days or agreed period	2506	R341,502
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)		
Invoices older than 30 days or agreed period (unpaid and in dispute)		

The invoices paid after 30 days relates to invoices in dispute or for which errors were identified for correction and subsequently resubmitted.

3. SUPPLY CHAIN MANAGEMENT

3.1. PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
IT services	Grandwell (Pty) Ltd	Limited bidding (sole supplier)	N/A	16 416,00
Brand promotion services.	TopCo Media	Limited bidding (sole supplier)	N/A	84 525.00
Legal services.	Majang Attorney Inc	Limited bidding (sole supplier)	N/A	63 825.00
Brand promotion services	TopCo Media	Limited bidding (sole supplier)	N/A	84 525,00
Voice and pronunciation corrective services	Voice Clinic	Limited bidding (sole supplier)	N/A	33 348,85
Public Sector Bid Committee Training	National School of Government	Limited bidding (sole supplier)	N/A	208 128,00
Public Sector Bid Committee Training	National School of Government	Limited bidding (sole supplier)	N/A	128 200,00
Crisis communication and management services	Empowaworx	Limited bidding (sole supplier)	N/A	1 000 000,00
QCTO accredited assessment centres for EISA exams	South Cape TVET College	Limited bidding (sole supplier)	N/A	20 000,00
	Letaba TVET College			20 000,00
	SA Campus Bloemfontein			11 500,00
	East Cape Midlands			20 000,00
Brand promotion services	TopCo Media	Limited bidding (sole supplier)	N/A	230 000,00
Total				**1 920 476,85**

3.2. CONTRACT VARIATIONS AND EXPANSIONS

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R	Value of previous contract R	Value of current contract expansion or variation R
Provision of financial resources for financial year end processes.	Rain Chartered Accountants	Expansion	N/A	645 840,,00	0	311 328,00
Development of an Excellence Operating Model for INSETA	Siqalo Consulting	Variation	N/A	480 000,00	0	462 000,00
Provision of an account-wise Filter in AP-aged Payable	QI Solutions	Variation	N/A	14 465 088,28	2 169 763.24	49 487,24
MIS system assessment, stabilization, and improvement services.	Strategic Dimensions	Variation	N/A	977 500.00	275 310,00	580 750,00
Fees adjustment to Microsoft Azure services and increase scope for CIBECS cloud to cloud backups	Grandwell PTY LTD	Expansion	N/A	5 155 756,66	774 228.51	1 921 910.00
Total						**3 325 475.24**

PART F
ANNUAL FINANCIAL STATEMENTS

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The following supplementary information does not form part of the annual financial statements and is unaudited:

Appendices

Appendix A: Project commitment balances

1. PUBLIC ENTITY'S **GENERAL INFORMATION**

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
LEGAL FORM OF ENTITY	PFMA Schedule 3A Public Entity
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The entity is legislatively mandated to promote, facilitate and monitor education and skills development provision in the insurance and related services sector.
BOARD MEMBERS	Mr. J S Ngubane - Chairperson Ms. V Pearson Ms. L vd Merwe Ms. R G Govender Ms. Z Motsa Mr. M Soobramoney Mr. J J M Mabena Ms. S A Anders Mr. C B Botha Ms. S T Dinyake Ms. F Mabaso Mr S M Mpuru Mr. K Sungay Ms. N Jonas Ms. P Mendes - Resigned 09 February 2024
INDEPENDENT AUDIT AND RISK COMMITTEE MEMBERS	Ms. G Mnguni - Chairperson Mr. A Nchoe Ms. Y Pamla
REGISTERED OFFICE	18 Fricker Road, Illovo, Sandton, Gauteng, 2196
POSTAL ADDRESS	P.O. Box 32035, Braamfontein, Johannesburg, Gauteng, 2017
BANKERS	First National Bank
AUDITORS	Auditor-General of South Africa
SECRETARY	IKB Company Secretaries
WEBSITE	www.inseta.org.za
TELEPHONE	011 381 8900

2. LIST OF **ABBREVIATIONS/ACRONYMS**

CPD	Corporation for Public Deposits
SARS	South African Revenue Services
GRAP	Generally Recognised Accounting Practice
TVET	Technical Vocational Education and Training
R	Rand
PAYE	Pay As You Earn
BBBEE	Broad Based Black Economic Empowerment
INSETA	Insurance Sector Education and Training Authority
NSF	National Skills Fund
COIDA	Compensation for Occupational Injuries and Diseases Act
SDLA	Skills Development Levies Act
SDA	Skills Development Act
SAQA	South African Qualifications Authority
QCTO	Quality Council for Trades and Occupations
DHET	Department of Higher Education and Training
UIF	Unemployment Insurance Fund
SDL	Skills Development Levy
WIP	Work- in- Progress
PFMA	Public Finance Management Act
NSA	National Skills Authority
FINCO	Finance Committee
EXCO	Executive Committee
HRRC	Human Resources and Remuneration Committee
ARC	Audit and Risk Committee

Report of the auditor-general to Parliament on the Insurance Sector Education and Training Authority

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Insurance Sector Education and Training Authority set out on pages 83 to 134, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis of qualified opinion sections of this auditors report, the financial statements present fairly, in all material respects, the financial position of the Insurance Sector Education and Training Authority as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for qualified opinion

Discretionary grants

3. I was unable to obtain sufficient appropriate audit evidence for project expenditure as the entity did not implement effective systems of internal control to maintain proper accounting records. I could not confirm the amount for project expenditure by alternative means as the public entity's records did not permit the application of alternative audit procedures. Consequently, I was unable to determine whether any adjustments were necessary to project expenditure stated at R410 985 000 in note 20 to the financial statements.

Context for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2024.

Responsibilities of the accounting authority for the financial statements

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

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 79, forms part of our auditor's report.

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Skills planning	18-19	To promote relevance of support provided by INSETA through implementation of innovative and impactful programmes
Programme 3: Learning programmes	19-22	The learning interventions are INSETA contributions to the achievement of the DNDP five year implementation plan.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/measures taken to improve performance
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
18. The material findings on the reported performance information for the selected programmes are as follows:

Programme 3 - learning programmes

Various indicators

19. Overachievements were reported against the related planned targets together with the reasons for this. However, adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reported reasons.

Indicator	Target	Reported achievement	Reported reason
Number of unemployed learners completed internships.	250	264	Early commencement and timeous implementation of the programme resulted in timeous completion.
Number of unemployed learners completed for Learnerships programmes	630	642	Improved efficiency in the quality assurance environment leading to increased certification.
Number of workers granted bursaries (Continuing)	50	235	Increased demand of workers continuing their studies.

Indicator	Target	Reported achievement	Reported reason
Number of workers granted bursaries completed their studies	600	626	Consistency in the bursary participants in completing their studies.
Number of workers completed for learnerships programmes.	600	605	Improved efficiency in the quality assurance environment leading to increased certification.
Number of unemployed learners granted bursaries completed their studies	280	281	Consistency in the bursary participants in completing their studies.
Number of workers completed AET programmes	30	44	Completion of the learner performance depends on learner performance to complete timeously. The increased throughput rate was as a result high uptake of employees.
Number of workers enrolled for RPL	160	177	Improved participation by industry due to awareness created around Recognition of Prior Learning (RPL) which resulted in more interest from the industry.
Number of workers completed for RPL	130	134	Improved participation by industry due to awareness created around Recognition of Prior Learning (RPL) which resulted in more interest from the industry.
Number of learners who completed workplace- based learning programmes absorbed into employment or self-employment	400	425	More interest from the sector in absorbing learners who completed the work-based learning programme in the workplace.
Number of people trained on entrepreneurship skills & supported to start their businesses.	10	11	A targeted approach implemented to support entrepreneurship programmes in the sector.

Various indicators

20. Based on audit evidence, the achievements reported in the annual performance report materially differed from the supporting evidence.

Indicator	Target	Reported achievement
Number of workers enrolled for RPL Programme	160	180
Number of unemployed learners enrolled for internships.	950	994
Number of unemployed learners enrolled for learnerships programmes.	1200	1462

Number of unemployed learners completed for Learnerships programme

21. An achievement of 642 was reported against a target of 630. However, it was identified that the target had not been clearly defined during the planning process. Inconsistencies were found in the definition and the method of calculation included in the technical indicator description.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over-achievement. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3: learning programmes. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statement

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

30. Material misstatements of discretionary grants commitment, related parties, other operating commitment, financial instrument, risk management and statement of change in net assets, identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statement receiving a qualified opinion.

Other information in the annual report

31. The accounting authority is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
32. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. My responsibility is to read this other information and, in doing so, consider whether it 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.
34. I did not receive the other information prior to the date of this auditors report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information to 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 is corrected this will not be necessary.

internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
36. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
37. The public entity did not implement proper record keeping to ensure that complete, relevant and accurate information was accessible and available in a timely manner to support financial and performance reporting. This resulted in unnecessary delays in completing the audit.
38. The public entity developed an audit action plan to address internal control deficiencies, however, the plan was not adequately monitored to ensure that corrective measures were effectively implemented. As a result, there were recurring findings with similar root causes as those previously reported.
39. Oversight of responsibility regarding financial reporting and compliance was not adequately exercised, as the controls in place did not prevent or detect internal control deficiencies, resulting in material misstatements and non-compliance.
40. The public entity did not ensure that the financial statements and annual performance report were adequately reviewed and supported by complete and accurate supporting documents, resulting in material misstatements being identified during the audit
41. The public entity did not implement adequate controls relating to daily and monthly processing and reconciliation of transactions. The controls that management put in place to ensure regular, accurate and complete financial reports did not always prevent and/or detect material misstatements in the financial statements and annual performance report.

AUDITOR GENERAL

Pretoria

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the 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.

Communication with those charged with governance

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Treasury regulations	Treasury reg 16A6.1 Treasury16A3.2 (fairness) Treasury reg16A3.2(a) and b Treasury reg R16A6.3(a), (b)(c) &(e) Treasury reg 16A6.4 Treasury reg 16A6.5 Treasury reg 16A6.6 Treasury reg 16A.7.1 Treasury reg 16A.7.3 Treasury reg 16A.7.6 Treasury reg 16A.7.7 Treasury reg 16A.8.3 Treasury reg 16A.8.4 Treasury reg 16A9.1(b) (ii), (d), (e) Treasury reg 16A9.1(d), (e) & (f) Treasury reg 16A9.2(a)(ii) Treasury reg 8.2.1 Treasury reg 8.2.2 Treasury reg 29.1(a) &(c) Treasury reg 29.3.1 Treasury reg 30.1.1 Treasury reg 30.1.3(a), (b) & (d) Treasury reg 30.1.3(b) Treasury reg 30.1.3(d) Treasury reg 30.2.1 Treasury reg 31.1.2(c) Treasury reg 31.2.1 Treasury reg 31.3.3 Treasury reg 33.1.1 Treasury reg 33.1.3
Legislation	**Sections or regulations**

PFMA instruction note 3 of 2021/22	Paragraph 4.1 Paragraph 4.2(b) Paragraph 4.3 Paragraph 4.4 and Paragraph 4.4(c), (d)
PFMA SCM instruction note 03 of 2021/22	Definition Paragraph 4.1 Paragraph 4.2(b) Paragraph 4.3 and 4.4 Paragraph 4.4(c) Paragraph 4.4(d) Paragraph 7.2
SCM Instruction note 02 of 2021/22	Paragraph 3.2.1 Paragraph 3.2.4 Paragraph 4.1
SCM instruction note 3 of 2016	Note 3 Note 6
National Treasury Instruction 01 of 2021/2022	Paragraph 4.1
Treasury Instruction note 11 of 2020/21	Paragraph 3.1 Paragraph 3.4(b) Paragraph 3.9
National Treasury Instruction 5 of 2020/21	Paragraph 1 Paragraph 2 Paragraph 4.8 Paragraph 4.9 Paragraph 5.3
National Treasury Instruction 07 of 2017/18	Paragraph 4.3
National Treasury Instruction 4A of 2016/17	Paragraph 6
Legislation	**Sections or regulations**

Legislation	Sections or regulations
National Treasury Instruction 4 of 2015/16	Paragraph 3.4
Practice Note 7 of 2009/10	Paragraph 4.1.2
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA	PFMA 35(4) PFMA 38(1)(b) PFMA44 PFMA45(b) PFMA 51(1)(b)(ii) PFMA 51(1)(e)(iii) PFMA 52(b) PFMA 54(2)(c), (d) PFMA 57(b) PFMA 55(1)(a), (b) PFMA 55(1)(a), (b)
PPPFA	Definition "acceptable tender Section 2(1)(a) and (b) Paragraph 2(1)(f)
Preferential Procurement Regulation 2011	Regulation 9(1), 9(5)
Preferential Procurement Regulation 2017	under functionality Regulation 4(1), 4(2) Regulation 5(1), 5(3), 5(6), 5(7) Regulation 6(8) Regulation 7(8) Regulation 8(2), 8(5) Regulation 9(1) Regulation 10(1) Regulation 11(1)
Preferential Procurement Regulation 2022	Regulation 4(4)
CIDB Act	Section 18(1)
CIBD Regulations	Regulation 17 Regulation 25(7A)
SBD	SBD 62 issued in 2015/16
Sita Act	Section 7(3)
Public Service regulation	Regulation 18(1), (2)
PRECCA	Section 34(1)
Grant regulations	GNR.990 2(1) GNR.990 3(3) & 4 GNR.990 4(3), 8 GNR.990 6(9)(iii)

BOARD'S RESPONSIBILITIES **AND APPROVAL**

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the contents and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members 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 year ended 31 March 2024. The external auditors are engaged to express an independent opinion on the annual financial statements and will be given unrestricted access to all financial records and related information.

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

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong internal control environment. To enable the members to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially, the scale of the entity.

The annual financial statements set out on pages 83-132, which have been prepared on the going concern basis, were approved by the Board on 31 May 2024 and were signed on its behalf by:

L van der Merwe
Accounting Authority

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note(s)	2024 R'000	2023 Restated* R'000
ASSETS			
CURRENT ASSETS			
Operating lease asset	5	267	49
Receivables from exchange transactions	8	6 851	3 649
Receivables from non-exchange transactions	9	1 703	1 405
Cash and cash equivalents	10	673 240	691 209
		682 061	**696 312**
NON-CURRENT ASSETS			
Property, plant and equipment	3	35 086	17 087
Intangible assets	4	1 011	1 496
		36 097	**18 583**
Total Assets		**718 158**	**714 895**
LIABILITIES			
CURRENT LIABILITIES			
Payables from exchange transactions	6	8 267	15 324
Payables from non-exchange transactions	7	80 324	92 292
Provisions	11	8 237	7 168
		96 828	**114 784**
Total Liabilities		**96 828**	**114 784**
Net Assets		**621 330**	**600 111**
RESERVES			
Administration reserve		36 097	18 583
Employer grant reserve		176	1 896
Discretionary reserve		585 057	579 632
Total Net Assets		**621 330**	**600 111**

* See Note 28

STATEMENT OF **FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 R'000	2023 Restated* R'000
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Other income from exchange transactions	13	160	43
Interest income	14	53 683	37 273
Total revenue from exchange transactions		**53 843**	**37 316**
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Other income from non - exchange transactions	12	3 726	4 803
Skills Development Levy: penalties and interest	12	2 686	6 142
Public contributions and donations	12	194	51
Skills Development Levy income	16	689 317	625 702
Total revenue from non - exchange transactions		**695 923**	**636 698**
Total revenue	12	**749 766**	**674 014**
EXPENDITURE			
Employee related costs	17	(47 841)	(32 615)
Depreciation and amortisation	18	(4 649)	(947)
Employer grants	19	(154 242)	(136 640)
Discretionary graants	20	(466 573)	(424 962)
Debt impairment	21	-	(6 145)
Loss on disposal of property, plant and equipment		(478)	(1 691)
Administration expenses	22	(54 763)	(54 675)
Total expenditure		**(728 546)**	**(657 675)**
Surplus for the year		**21 220**	**16 339**

* See Note 28

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	Administration Reserve R'000	Employer Grant Reserve R'000	Discretionary Grant Reserve R'000	Total reserves R'000	Unappropriated surplus R '000	Total net assets R '000
Balance at 01 April 2022	**8 400**	**-**	**572 664**	**581 064**	**-**	**581 064**
Prior period error*	9 481	-	(6 771)	2 711	-	2 711
Revised - Total Changes	**17 881**	**-**	**565 893**	**583 774**	**-**	**583 774**
Transfer of excess to discretionary reserve	(9 767)	-	9 767	-	-	-
Restated* Balance at 01 April 2022	**8 114**	**-**	**575 660**	**583 774**	**-**	**583 774**
Restated surplus for the year	-	-	-	-	16 339	16 339
Allocation of unappropriated surplus	2 858	19 786	(6 305)	16 339	(16 339)	-
Transfer of excess to discretionary reserve	7 611	(17 890)	10 279	-	-	-
Restated* Balance at 31 March 2023	**18 583**	**1 896**	**579 632**	**600 111**	**-**	**600 111**
Surplus for the year	-	-	-	-	21 220	21 220
Allocation of unappropriated surplus	977	18 087	2 156	-	(21 220)	-
Transfer of excess to discretionary reserve	16 537	(19 807)	3 270	-	-	-
Total changes	**17 514**	**(1 720)**	**5 426**	**21 220**	**-**	**21 220**
Balance at 31 March 2024	**36 097**	**176**	**585 058**	**621 331**	**-**	**621 331**
Note(s)						**-**

NARRATION AREA

Refer to note 28 for the prior period accounting error disclosure note.

TRANSFER OF EXCESS TO DISCRETIONARY RESERVE:

ADMINISTRATION RESERVE

No excess funds were transferred to discretionary reserve as administrative reserve was recorded at an amount below carrying amount of property, plant and equipment as well as intangible assets. In order to cover the shortfall, management subsequently transferred R16 537 000 (2023: R7 611 000) from employer grant reserve to administrative grant reserve. The amount of R36 097 000 (2023: R18 583 000) retained in the administration reserve equals the carrying amount of property, plant and equipment and intangible assets.

EMPLOYER GRANT RESERVE

Excess reserves of R19 807 000 (2023: R17 890 000) were transferred to discretionary grant reserve and administration 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 their applications for mandatory grants. Refer to contingent liabilities disclosed in note 26.

* See Note 28

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 R'000	2023 Restated* R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Levies, interest and penalties		692 038	631 811
Interest income		53 683	37 266
Other receipts		318	4 993
		746 039	**674 070**
PAYMENTS			
Employee related costs		(47 245)	(33 976)
Payment to suppliers		(62 401)	(50 849)
Employer grants and project expenses		(631 721)	(538 345)
		(741 367)	**(623 170)**
Net cash flows from operating activities	23	**4 672**	**50 900**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(7 694)	(69)
Proceeds from disposal of property, plant and equipment	3	-	136
Leasehold improvements	4	(14 947)	(13 150)
Net cash flows from investing activities		**(22 641)**	**(13 083)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		**(17 969)**	**37 817**
Cash and cash equivalents at the beginning of the year		691 209	653 392
Cash and cash equivalents at the end of the year	**10**	**673 240**	**691 209**

* See Note 28

BUDGET ON ACCRUAL BASIS	Original approved budget R'000	Adjustments R'000	Final Approved Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R '000	Variance
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other income	-	-	-	160	160	100%
Interest income	19 585	17 415	37 000	53 683	16 683	45%
Total revenue from exchange transactions	**19 585**	**17 415**	**37 000**	**53 843**	**16 843**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Skills development levy income	609 988	-	609 988	689 317	79 329	13%
Other income from non-exchange transactions	-	-	-	3 726	3 726	100%
Skills development levy: Penalties and interest	11 317	-	11 317	2 686	(8 631)	-76%
Public contributions and donations	-	-	-	194	194	100%
Total revenue from non-exchange transactions	**621 305**	**-**	**621 305**	**695 923**	**74 618**	
Total revenue	**640 890**	**17 415**	**658 305**	**749 766**	**91 461**	

BUDGET ON ACCRUAL BASIS	Original approved budget R'000	Adjustments R'000	Final Approved Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R '000	Variance
EXPENDITURE						
Employee related costs	(33 821)	-	(33 821)	(47 840)	(14 019)	-41%
Depreciation and amortisation	(1 023)	-	(1 023)	(4 649)	(3 626)	-354%
Employer grants	(137 247)	-	(137 247)	(154 242)	(16 995)	-12%
Discretionary grants	(423 582)	(593 115)	(1 016 697)	(466 573)	550 124	54%
Administration expenses	(45 217)	-	(45 217)	(54 760)	(9 543)	-21%
Total expenditure	**(640 890)**	**(593 115)**	**(1 234 005)**	**(728 064)**	**505 941**	
Operating surplus	-	(575 700)	(575 700)	21 702	597 402	
Loss on disposal of property, plant and equipment	-	-	-	(478)	(478)	-100%
Prior year approved surplus	-	575 700	575 700	-	(575 700)	100%
	-	**(575 700)**	**(575 700)**	**(478)**	**(576 178)**	
Surplus for the year	**-**			**21 220**	**21 220**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**21 220**	**21 220**	

Refer to note 34 for detailed explanations of significant variances above 10 percent between the final approved budget and the actual amounts.

1. SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATIONS

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

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, unless specified otherwise.

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

These accounting policies are consistent with the previous reported period.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of INSETA. The figures have been rounded off to the nearest thousand (R'000).

1.3 GOING CONCERN ASSUMPTION

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

1.4 MATERIALITY

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

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

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estim ates which may be material to the annual financial statements. Significant judgments include:

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.

PROVISIONS

Provisions are recognised at the best estimate of cash outflows required to settle the related obligations. Provisions were recognised using the best estimate of available information.

IMPAIRMENT ALLOWANCE FOR DOUBTFUL DEBTS

An impairment loss on doubtful debts is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, determined at initial recognition.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

INSETA determines the estimated useful lives of property, plant and equipment as well as intangible assets which are subsequently reviewed at the end of each annual reporting period.

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, judgments are made as to whether there is observable data indicating 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 cashflows.

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 that have up to six months to submit applications for mandatory grants in terms of the Skills Development Act. The estimate calculated at twenty percent (20%) relating to employer grants is also disclosed as a contingent liability.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

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, wherein registered member companies of INSETA pay a skills development levy of 1% of their total payroll cost to SARS, which collects the levies on behalf of the DHET.

Employers are permitted to adjust their contributions retrospectively, thereby affecting revenue already recognised by INSETA in previous periods. These adjustments cannot be determined with sufficient reliability and are accounted for prospectively as they occur. Other significant judgments, sources of estimation uncertainty and/or relating information have been disclosed in the related notes.

1.6 PROPERTY, PLANT AND EQUIPMENT

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

INITIAL RECOGNITION AND MEASUREMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

SUBSEQUENT MEASUREMENT

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.

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	5-8 years
Office equipment	Straight-line	5-22 years
IT equipment	Straight-line	3-20 years
Other fixtures	Straight-line	5 years
Leasehold improvements	Straight-line	Lease term

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

DERECOGNITION

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

LEASEHOLD IMPROVEMENTS

Leasehold improvements refer to enhancements or modifications made to leased property by the lessee (tenant) during the lease term. These improvements are typically intended to enhance the property's functionality, aesthetics, or value.

Examples of leasehold improvements include renovating office spaces, installing fixtures, or upgrading infrastructure within a leased building. Leasehold improvements made by the lessee are typically considered prepayments and are expensed over the shorter of the lease term or the useful life of the improvement.

Any incentives received from the lessor (e.g.rent-free periods or reduced rent) shall be recognized over the lease term.

1.7 INTANGIBLE ASSETS

INITIAL RECOGNITION AND MEASUREMENT

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially measured at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

SUBSEQUENT MEASUREMENT

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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 and licenses	Straight-line	2- 5 years / limited to license period

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

1.8 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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 guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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.

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.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

INITIAL RECOGNITION

INSETA recognises a financial asset or a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. Financial assets are recognised through the application of the trade date accounting.

Upon initial recognition, INSETA classifies the instrument, or its component parts, as a financial liability, a financial asset or residual interest in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and a residual interest.

INITIAL MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

When a financial asset or financial liability is recognised initially, INSETA measures it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, 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

INSETA subsequently measures financial assets and financial liabilities at fair value, amortised cost or cost. INSETA assesses which instruments should subsequently be measured at fair value, amortised cost or cost, based on the definitions of "financial instruments at fair value", "financial instruments at amortised cost" or "financial instruments at cost".

IMPAIRMENT AND COLLECTABILITY 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.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in surplus or deficit

FINANCIAL ASSETS MEASURED AT COST

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset

DERECOGNITION

DERECOGNITION OF FINANCIAL ASSETS

INSETA derecognises financial assets using trade date accounting. INSETA derecognises a financial asset only when:

(a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;

(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

(c) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, INSETA therefore:

(i) derecognises the asset; and

(ii) recognises separately, any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised in accordance with this paragraph shall be recognised in surplus or deficit in the period of the transfer.

DERECOGNITION OF FINANCIAL LIABILITIES

INSETA removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished, primarily when the obligation specified in the contract is discharged, cancelled, expires or waived.

PRESENTATION

Interest, dividends or similar distributions, losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as revenue or expense in surplus or deficit. Distributions to holders of residual interests sha ll be recognised by the entity directly in net assets. Transaction costs incurred on residual interests shall be accounted for as a deduction from net assets.

OFFSETTING A FINANCIAL ASSET AND A FINANCIAL LIABILITY

Financial assets and a financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, INSETA:

(a) currently has a legally enforceable right to set off the recognised amounts; and

(b) 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.

CLASSIFICATION

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

Financial assets	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

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

Financial assets	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

1.9 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

OPERATING LEASES - LESSOR

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Assets subject to operating leases are presented in the statement of financial position according to the nature of the asset.

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 are recognised as an operating lease asset or liability.

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 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an INSETA in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

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

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

Vested employee benefits are employee benefits that are not conditional on future employment.

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

SHORT-TERM EMPLOYEE BENEFITS

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

Short-term employee benefits include items such as:

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

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

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

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

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

1.12 PROVISIONS AND CONTINGENCIES

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

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

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

A constructive obligation to restructure arises only when an entity:

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

A contingent liability is a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The entity does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.13 COMMITMENTS

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

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

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

MEASUREMENT

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

RENDERING OF SERVICES

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until t he significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

INTEREST INCOME

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.15 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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

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

Non-exchange 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 fulfillment 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 DHET.

SKILLS DEVELOPMENT LEVY: INCOME

The accounting policy for the recognition and measurement of skills development levy income is based on the amended SDA and SDLA.

In terms of Section 3(1) and 3(4) of the SDLA, 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 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 SDLA as amended, effective 1 August 2005.

Eighty percent of Skills Development Levies are 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 interSETA 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 SDLA 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 SDLA as amended. Penalties and interest are recognised as revenue when they become receivable and an allocation has been made by SARS.

Revenue from non-exchange transactions is measured at the consideration received or receivable, which approximates fair value.

GIFTS AND DONATIONS, INCLUDING GOODS IN-KIND

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

1.16 EMPLOYER GRANTS, DISCRETIONARY GRANTS AND ADMINISTRATIVE EXPENDITURE

Expenditure and related liabilities are accounted for on an accrual basis. Using this basis, transactions are recorded and disclosed when they occur and not when cash is paid to ensure that transactions are recorded in the periods to which they relate.

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 SDA, as amended, and the SETA Grant Regulations regarding monies received and related matters (the SETA Grant Regulations)

Mandatory grants and mandatory grant liabilities are equivalent to 20% of the total levies contributed by employers during the corresponding financial period. Liabilities are recognised when INSETA has an obligation to pay grants and the amount can be measured reliably.

DISCRETIONARY GRANTS AND PROJECT EXPENSES

The funding for discretionary grants and projects comprises 49.5% of the total levies paid by the employers, mandatory grants that are not claimed by employers, the surplus of administration levies not utilised, interest income, and other income generated by the SETA.

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 of:

- 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 nat ure. 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 exce ss 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 allowance for impairment of irrecoverable amounts.

1.17 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation of the twelve months reporting period. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. When it is impracticable to reclassify comparative amounts, the reason for not reclassifying the amounts as well as the nature of the adjustments that would have been made if the amounts had been reclassified is disclosed.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. If a change in accounting policy results from initial application of a standard of GRAP that has specific transitional provisions, the entity accounts for the change in accordance with the specific transitional provisions of that accounting standard.

Reclassifications of certain accounts are made to ensure consistency, relevance, and faithful representation.

1.18 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 accounted for as expenditure in the Statement of Financial Performance when incurred and when recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Any fruitless expenditure movement such as condonement, write-off, removal, etc will be disclosed in the annual report in accordance with the irregular expenditure framework.

1.19 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 SDA as amended.

Irregular expenditure is recognised in the year that the expenditure was incurred. The current year expenditure is classified in accordance with the nature of the expense in the Annual Financial Statements and the applicable register.

Any irregular expenditure movement such as condonement, write-off, removal, etc will be disclosed in the annual report in accordance with the irregular expenditure framework.

1.20 BUDGET INFORMATION

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

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented on the same accounting and classification basis and period as for the approved budget.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial stateme nts. The most recent approved budget by the Board is the final budget for the purpose of comparison with the actual amounts.

The approved budget covers the fiscal period from 1 April 2023 to 31 March 2024.

1.21 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise signific ant 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.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

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.

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 are 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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

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.

1.22 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).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity 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.

1.23 INTER-SETA TRANSFERS - RECEIVABLES/ PAYABLES

Inter-SETA payables arise due to employer(s) requesting a transfer from INSETA to another SETA. The recognition criteria for inter-SETA transfers are aligned to the Standard Operating Procedure issued by DHET.

Inter-SETA receivables

a) SARS has affected the transfer and DHET portal confirms the transfer.

b) INSETA submitting a claim to the previous SETA (requesting transfer of current year levies)

c) The previous SETA has not yet made a payment but confirms their obligation to transfer to INSETA ; and

d) The previous SETA has approved a WSP for the past scheme year and sent the confirmation to INSETA. In instances where any one of the criteria above is not met, the amount will be disclosed as a contingent asset as the transaction meets the definition.

INTER-SETA PAYABLES

a) SARS has affected the transfer and DHET portal confirming the transfer;

b) Submission of claim to INSETA by the new SETA;

c) INSETA has not yet made a payment but confirms their obligation to transfer to a new SETA; and

d) INSETA has approved a WSP in relation to 2023/2024 and sent a confirmation to the new SETA.

In the instance when any one of the above criteria is not met, then the amount will be disclosed as a contingent liability as it meets the definition of a contingent liability.

1.24 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.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, INSETA adopted the following standards and interpretations that are effective for the current financial year and relevant to its operations:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
iGRAP 13: Operating Leases - Incentives	01 April 2023	The adoption of this has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

2.2 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

INSETA has not applied the following standards and interpretations, which have been published and are effective for the periods beginning on or after 01 April 2024 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
GRAP 1 (Amended): Presentation of Financial Statements	01 April 2024	Unlikely that there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely that there will be a material impact
GRAP 105: Transfer of Functions between Entities Under Common Control	Not yet determined	Unlikely that there will be a material impact
GRAP 106: Transfer of Functions between Entities Not Under Common Control	Not yet determined	Unlikely that there will be a material impact
GRAP 107: Mergers	Not yet determined	Unlikely that there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Office furniture	6 172	(158)	6 014	33	(15)	18
Motor vehicles	292	(234)	58	292	(175)	117
Office equipment	652	(49)	603	180	(45)	135
IT equipment	5 104	(1 114)	3 990	4 687	(1 020)	3 667
Leasehold improvements	28 099	(3 678)	24 421	13 150	-	13 150
Total	**40 319**	**(5 233)**	**35 086**	**18 342**	**(1 255)**	**17 087**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024

	Opening balance R'000	Additions R'000	Disposals R'000	WIP transfers out R'000	Depreciation R'000	Total R'000
Office furniture	18	6 142	(2)	-	(144)	6 014
Motor vehicles	117	-	-	-	(59)	58
Office equipment	135	504	(21)	-	(15)	603
IT equipment	3 667	1 047	(455)	-	(269)	3 990
Leasehold improvements	13 150	28 098	-	(13 150)	(3 677)	24 421
	17 087	35 791	(478)	(13 150)	(4 164)	**35 086**

The leasehold improvements relates to the renovation costs incurred by INSETA for the office lease accommodation. The capitalised additions represents the work completed and used/ occupied as intended by management. The depreciation was charged at various stages of completion for occupation.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2023

	Opening balance R'000	Additions R'000	Work in progress R'000	Disposals R'000	Depreciation R'000	Total R'000
Fixtures	101	-	-	(76)	(25)	-
Office furniture	740	-	-	(657)	(65)	18
Motor vehicles	175	-	-	-	(58)	117
Office equipment	223	69	-	(139)	(18)	135
IT equipment	4 894	24	-	(955)	(296)	3 667
Leasehold improvements	-	-	13 150	-	-	13 150
	6 133	**93**	**13 150**	**(1 827)**	**(462)**	**17 087**

The leasehold improvements relates to the costs incurred by the INSETA for the corporate office. The costs above represent the portion of the work completed to date. Management applied a ratio of occupancy against the total office space and the completed office fit-out works currently being used as intended to determine the depreciable amount.

PLEDGED AS SECURITY

No property, plant and equipment was pledged as security or collateral for liabilities.

RECONCILIATION OF WORK-IN-PROGRESS LEASEHOLD IMPROVEMENT : 2024

	Leasehold Improvements R'000	Total R'000
Opening balance	13 150	13 150
Transferred to completed Leasehold Improvements - additions	(13 150)	(13 150)
	-	**-**

RECONCILIATION OF WORK-IN-PROGRESS LEASEHOLD IMPROVEMENTS : 2023

	Included within Buildings R'000	Total R'000
Additions	13 150	13 150

The work in progress presented above relates to the costs incurred by INSETA for the corporate office fit-out costs, the costs above represents the portion of the work completed to date. Management applied the ratio of occupancy against the total office space and the completed office fit-out works currently being used as intended to determine the depreciable amount.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT

EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT INCLUDED IN STATEMENT OF FINANCIAL PERFORMANCE	2024 R'000	2023 R'000
Repairs and maintenance	304	97

A register containing the information required by section 38 of the Public Finance Management Act is available for inspection at the registered office of the entity.

4. INTANGIBLE ASSETS

	2024			2023		
	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Computer software and licenses	2 426	(1 415)	1 011	2 426	(930)	1 496

RECONCILIATION OF INTANGIBLE ASSETS - 2024	Opening balance R'000	Amortisation R'000	Total R'000
Computer software and licenses	1 496	(485)	1 011

RECONCILIATION OF INTANGIBLE ASSETS - 2023			
Computer software and licenses	1 981	(485)	1 496

PLEDGED AS SECURITY

No intangible assets were pledged as security or collateral for liabilities.

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.The intangible assets have a zero residual value.

No impairment neither impairment reversals were recognised in the current financial year.

5. OPERATING LEASE ASSET (LIABILITY)

	2024 R'000	2023 R'000
Current assets	267	49

The office lease agreement will be escalated at 5% per annum over a five year lease period. The building will only be used fo r the purposes of conducting INSETA business and no any other business will be conducted without the landlord's approval. The operating lease expenses are smoothed on a straightline basis over the lease term. Any over or under payment, as a result of the smoothing is recognised in the statement of financial position as an asset/(liability), until the time that payments in future reverses the smoothing to zero by the end of the lease term.

6. PAYABLES FROM EXCHANGE TRANSACTIONS

	2024 R'000	2023 R'000
Trade payables	5 320	11 293
Accrued leave pay	2 465	1 878
Accrued administration expenses	482	2 092
Diners club	-	61
	8 267	**15 324**

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 and to correct the prior year's accounting error, the reported trade payables have been restated according to GRAP 3.

7. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2024 R'000	2023 R'000
Employee related payables	561	-
Refunds arising from non-exchange revenue	1 412	1 422
Project creditors accrual	1 200	162
Mandatory grants	34 922	20 115
Project creditors	40 520	68 162
Other levy adjustments	1 709	2 431
	80 324	**92 292**

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 payable.

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024 R'000	2023 R'000
Advance and other amounts receivable from employees	50	24
Deposits	490	490
Prepayments	6 159	2 915
Sundry receivables	152	220
	6 851	**3 649**

PREPAYMENTS

Prepayments comprise of annual computer licences, rental expenses and insurance premiums which are recognised as expenses systematically at each month.

SUNDRY RECEIVABLES

Sundry receivables consists mainly of warranty expenses. No allowance for impairment has been recognised for receivables from exchange transactions. Refer to note 29 for the receivables disclosed as financial instruments.

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. No receivables were pledged as security for liabilities.

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Employer receivables	551	218
Discretionary receivables	1 152	1 187
	1 703	**1 405**
Employer receivables included in receivables from non-exchange transactions above are as follows:		
Employer receivables	1 280	852
Allowance for impairment	(729)	(634)
	551	**218**
Discretionary receivables included in receivables from non-exchange transactions above are as follows:		
Discretionary receivables	7 297	7 332
Allowance for impairment	(6 145)	(6 145)
	1 152	**1 187**
Total receivables from non-exchange transactions	1 703	1 405

An amount of R1 280 000 (2023: R852 000) was recognised as a receivable relating to employer grant overpayments to levy- paying employers in prior periods as a result of levy income adjustments done by SARS after employer grants had been paid. An amount of R 729 000 (2023: R634 000) was provided for as allowance for impairment.

DISCRETIONARY RECEIVABLES

The allowance for impairment for discretionary receivables was provided for during the 2022/23 financial year.

Refer to note 29 for the receivables disclosed as financial instruments. There are no restrictions on receivables from non-exchange transactions and no receivables have been pledged as security for liabilities.

10. CASH AND CASH EQUIVALENTS

	2024 R'000	2023 R'000
Cash and cash equivalents consist of:		
Cash on hand	3	2
Short-term deposits	557 009	513 326
Other cash and cash equivalents	116 228	177 881
	673 240	**691 209**

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 8.25% (2023: 6.04%) as at the reporting date. 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).

All cash and cash equivalents were available for use as at the reporting date and no balances were pledged as security for liabilities.

11. PROVISIONS

RECONCILIATION OF PROVISIONS - 2024	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Provision for levies received from exempt employers	3 336	56	-	3 392
Bonus provision	3 832	4 500	(3 487)	4 845
	7 168	**4 556**	**(3 487)**	**8 237**
RECONCILIATION OF PROVISIONS - 2023				
Provision for levies received from exempt employers	3 410	581	(655)	3 336
Bonus provision	3 820	12	-	3 832
	7 230	593	(655)	7 168

INSETA implemented a performance bonus management system. Employees conclude performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed through the performance rating and review process on an annual basis. The amount is dependent on the outcome of the individual performance ratings, as well as the attaining the overall organisational performance of 80% and above.

For the year under review, a bonus provision of R4 845 000 has been raised and is only payable subject to meeting INSETA's performance management policy requirements. The 2023/2024 financial year performance rewards will be implemented during November 2024 after the performance appraisal processes has been completed.

An amount of R3 392 000 (2023: R3 336 000) relates to levies received from employers exempt from contributing SDL in terms of legislative changes that came into effect from 1 August 2005.

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. An amount of R630 000 (2023: R74 000) has been transferred to discretionary funds in line with the afore mentioned circular.

12. REVENUE

	2024 R'000	2023 R'000
Other income from exchange transactions	160	43
Interest income	53 683	37 273
Other income from non-exchange transactions	3 726	4 803
Skills development levies: Income	689 317	625 702
Skills development levies: Penalties and interest	2 686	6 142
Public contributions and donations	194	51
	749 766	**674 014**

THE AMOUNTS INCLUDED IN REVENUE ARISING FROM EXCHANGE OF GOODS OR SERVICES ARE AS FOLLOWS:

Other income from exchange transactions	160	43
Interest income	53 683	37 273
	53 843	**37 316**

THE AMOUNTS INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

TRANSFER REVENUE

Other income from non-exchange transactions	3 726	4 803
Skills development levies: Income	689 317	625 702
Skills development levies: Penalties and interest	2 686	6 142
Public contributions and donations	194	51

DONATION RECEIVED

Insurance Sector Student Fund (ISSF) relates to unconditional public donations for funding academically deserving students at institutions of higher learning in South Africa.

13. OTHER INCOME FROM EXCHANGE TRANSACTIONS

Other income from exchange transactions	160	43

14. INTEREST INCOME

Interest income	53 683	37 273

The amount included in interest income arises from interest earned from the Corporation for Public Deposits (CPD) and amounted to R53 683 000 (2023: R37 273 000).

The total interest income, which is calculated using the effective interest rate on financial instruments not at fair value through surplus or deficit was 8.25% (2023: 6.04%).

15. ALLOCATIONS OF SURPLUSES

ALLOCATION OF SURPLUS TO RESERVES - 2024	Administration reserve R'000	Employer grants reserve R'000	Discretionary grants reserve R'000	Total R'000
Skills development levy: Administration income	90 473	-	-	90 473
Skills development levy: Employer grants income	-	172 329	-	172 329
Skills development levy: Discretionary grants income	-	-	426 515	426 515
Skills development levy: Penalties income	-	-	1 417	1 417
Skills development levy: Interest income	-	-	1 270	1 270
Interest income	17 881	-	35 802	53 683
Other income	354	-	3 725	4 079
	108 708	**172 329**	**468 729**	**749 766**
Administration expenses	(107 731)	-	-	(107 731)
Employer grants expenses	-	(154 242)	-	(154 242)
Discretionary grant expenses	-	-	(466 573)	(466 573)
	977	**18 087**	**2 156**	**21 220**

ALLOCATION OF SURPLUS TO RESERVES - 2023				
Skills development levy: Administration income	82 123	-	-	82 123
Skills development levy: Employer grants income	-	156 426	-	156 426
Skills development levy: Discretionary grants income	-	-	387 153	387 153
Skills development levy: Penalties income	-	-	2 317	2 317
Skills development levy: Interest income	-	-	3 825	3 825
Interest income	16 714	-	20 559	37 273
Other income	94	-	4 803	4 897
	98 931	**156 426**	**418 657**	**674 014**
Administration expenses	(96 073)	-	-	(96 073)
Employer grants expenses	-	(136 640)	-	(136 640)
Discretionary grant expenses	-	-	(424 962)	(424 962)
	2 858	**19 786**	**(6 305)**	**16 339**

16. SKILLS DEVELOPMENT LEVY: INCOME

	2024 R'000	2023 R'000
Administration levy income	90 473	82 119
Discretionary grants income	426 098	387 224
Employer grants levy	172 746	156 359
	689 317	**625 702**

17. EMPLOYEE RELATED COSTS

	2024 R'000	2023 R'000
Basic remuneration	35 365	26 109
Bonus	2 934	825
Medical aid - company contributions	675	254
UIF contribution	106	94
COIDA	99	50
SDL contribution	398	297
Leave pay provision charge	903	166
Acting Allowance	938	642
Cellphone allowance	246	177
Overtime	1 690	87
Long term benefits	2 657	1 840
Temporary staff	846	1 006
Employee wellness	983	1 068
	47 840	**32 615**

The increase in the employee related costs is mainly attributable to the filling of most organisational structure which resulted in 96% filled position rate.

18. DEPRECIATION AND AMORTISATION

	2024 R'000	2023 R'000
Property, plant and equipment	4 164	462
Intangible assets	485	485
	4 649	**947**

19. EMPLOYER GRANTS

	2024 R'000	2023 R'000
Employer grants	154 242	136 640

The expenditure disclosed above represents grants eligible to be refunded back to qualifying employers. Employers in their respective sectors are legislatively mandated to contribute one (1) percent of their payroll bill exceeding R500 000 to SARS. SARS subsequently allocates the SDL funds received from employers to the relevant SETA. Qualifying employers are eligible to claim back 20 percent of the overall SDL contributions made by submitting their WSP's and ATR's to the relevant SETA.

20. DISCRETIONARY GRANTS

Project Expenditure	410 985	375 610
Discretionary Project Administration	36 318	33 381
ISSF Project Expenditure	19 270	15 971
	466 573	**424 962**

The SETA Grant Regulation 6.9 (iii) stipulates that a maximum of 7.5 percent of the project grant costs can be used for administration or project administration purposes in various grant and project categories. The amount of project administration costs used was 7.47 percent of the total project grant costs, which is within the 7.5 percent regulated threshold, after excl uding non-cash transactions in accordance with the SETA Grant Regulations.

21. DEBT IMPAIRMENT

Debt impairment	-	6 145

The impairment loss amount of R0 (2023: R6 145 000) previously recognised related to an amount paid to Ground Floor Consortium trading as Mutual Financial Analyst and the consortium did not adhere to the signed DG contract in meeting the agreed deliverables. Management reassessed the provision for impairment previously raised taking into consideration any available information on the matter and it was confirmed that the provision for impairment was still valid as there has not been any significant changes to the underlying assumptions. The impairment assessment was conducted in accordance with the GRAP 104 framework.

22. ADMINISTRATION EXPENSES

	2024 R'000	2023 R'000
Advertising	1 838	2 015
Small assets	458	74
Audit and Risk Committee fees	833	820
Audit fees	3 224	3 611
Bank charges	40	34
Board and subcommittee fees	2 186	2 674
Cleaning	993	149
Consulting and professional fees	11 048	9 376
Consumables	913	400
Transportation and relocation costs	16	663
Deposit write off	-	1 514
Donations and sponsorship	154	-
Fraud Hotline	42	43
Gifts	5	12
Licenses and Insurance	3 282	3 217
Internal auditors	786	890
IT expenses	4 451	4 097
Offsite Storage	100	229
Motor vehicle expenses	6	5
Other board expenditure	736	1 150
Postage and courier services	50	25
Printing and stationery	243	235
QCTO	4 294	3 777
Recruitment fees	182	269
Repairs and maintenance	5	100
Rental head office	5 346	5 155
Rentals equipment	633	1 054
Security services	-	604
Strategic planning costs	1 311	1 204
Subscriptions and membership fees	86	108
Telephone and data lines	1 130	1 185
Training	1 770	987
Travel and subsistence	4 424	6 672
Utilities	4 178	2 327
	54 763	**54 675**

In aggregate, the administration expenses do not materially vary between the two reporting periods, however specific expenditure line items within administration expenses varies significantly. The variance overarches on the completion of the office accommodation fitout project and full occupation of the office accommodation space as intended by management with the entire broad staff compliment as compared to the rotation strategy employed when one floor was occupied previously.

23. CASH GENERATED FROM OPERATIONS

	2024 R'000	2023 R'000
Surplus	21 220	16 339
Adjustments for:		
Depreciation and amortisation	4 649	947
Loss on sale of assets and liabilities	478	1 691
Debt impairment	-	6 145
Movements in operating lease assets and accruals	(218)	-
Movements in provisions	1 069	(62)
Replaced assets received	-	(24)
Deposit write off	-	1 514
Changes in working capital:		
Receivables from exchange transactions	(3 202)	(798)
Other receivables from non-exchange transactions	(298)	(3 293)
Payables from exchange transactions	(7 057)	5 752
Payables from non-exchange transactions	(11 969)	23 417
Operating lease liability	-	(728)
	4 672	**50 900**

24. OPERATING SURPLUS

Operating surplus for the year is reported after accounting for the following:

Loss on disposal of property, plant and equipment	(478)	(1 691)
Amortisation of intangible assets	485	485
Depreciation of property, plant and equipment	4 164	462
Employee related costs	47 840	32 615

25. COMMITMENTS

OPERATING LEASES

	2024 R'000	2023 R'000
Minimum lease payments due		
• within one year	4 608	4 389
• in second to fifth year inclusive	13 417	18 025
	18 025	**22 414**

Operating lease payments represent rentals payable by the entity for its office lease accommodation. Leases are negotiated for an average term of 5 years. No contingent rent is payable.

OTHER OPERATIONAL COMMITMENTS

	2024 R'000	2023 R'000
Minimum payments due	2 497	20 930

Other operational commitments are contractual obligations for various services, including but not limited to maintenance of the enterprise resource planning system (ERP), internal audit services, consulting, financial statements preparation tool and turnkey services as well as website costs amongst others. The closing balance for the reporting period ended 31 March 2023 was restated from R47 195 000 to R20 930 000 due to the reviewing of the contracts in accordance with the GRAP reporting framework.

DISCRETIONARY PROJECTS

Included in the balance of R584 966 000 (2023: R581 479 000) available in the discretionary reserve, is an amount of R514 239 240 (2023: R539 263 944*) which has been committed. Refer to supplementary information for detailed commitments schedule.

*The closing balance for the year ended 31 March 2023 has been restated to a amount of R539 263 944 previously disclosed as R478 542 000.

26. CONTINGENCIES

	2024 R'000	2023 R'000

CONTINGENT LIABILITIES

CONTINGENT SURPLUS FUND

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realized in the previous financial year without obtaining the prior written approval of National Treasury. During September 2020, National Treasury Issued Instruction No. 12 of 2020/21 which gave more detail to the surplus definition. According to this Instruction, the calculation of surplus funds should be in terms of Paragraph 3.2 of the National Treasury Instruction.

CALCULATION OF SURPLUS

	2024 R'000	2023 R'000
Cash and cash equivalents	673 240	691 209
Add: Receivables	8 554	5 054
Less: Current liabilities	(96 828)	(114 784)
	584 966	**581 479**

UNCOMMITTED SURPLUSES

The cash surplus of R584 966 000 (2023: R581 479 000) does not take into account contractual commitments of R514 239 240 (2023: R539 263 944) for discretionary commitments which existed at the reporting date. Refer to note 25 and supplementary schedule to these financial statements. If these commitments are considered, the uncommitted cash surplus is R70 726 760 (2023: R42 215 056). There is no reimbursement from any third parties for INSETA's potential obligations.

FIRST-TIME EMPLOYER REGISTRATIONS

The Skills Development Act allows an employer registering for the first time, a six months period to submit an application for mandatory grant. In terms of SETA Grant Regulations, SETAs must allocate mandatory grants to a levy-paying employer who has registered for the first time in terms of Section 5 of the Skills Development Levies Act, who applied for a mandatory grant within six months of registration. Due to this requirement, INSETA has a contingent liability to set aside funds for all employers that registered from 1 April 2023 to 31 March 2024. Consequently, the total potential mandatory grant payout is R175 955 (2023: R1 896 000).

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

During December 2012, the Minister of Higher Education and Training (DHET) repealed the 2005 Grant Regulations and promulgated the 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 promulgation of the Grant Regulations resulted in a litigation which was instituted by BUSA (Business Unity South Africa) with the Labour Court. The Labour Court declared the 2012 Grant Regulations invalid and consequently set aside, with the suspension of the order until March 2016.

26. CONTINGENCIES (CONTINUED)

Prior to the order coming into effect, the regulation was re-promulgated in January 2016, to which BUSA launched a review application in the Labour Court to set the 2016 re-promulgated Regulations 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 this accordingly 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 file. Consequently, the SETA has continued to pay and accrue mandatory grants at 20% in the 2022/2023 reporting period , which is also aligned to the approved annual performance plan. Considering the outcome of the judgment, there is a possible liabili ty due to additional grant payments over and above those that have been paid in the current year based on a payment rate of 20%, however, due to this uncertainty on when the SETA should start paying additional mandatory grants and the percentage rate not yet determined, the amount of the possible liability cannot be reliably estimated.

OFFICE LEASE ACCOMMODATION CONTRACT

The office lease accommodation contract, which was concluded in March 2020, was cancelled by INSETA with an effective termination date of 30 November 2022 after serving a one-year notice to the landlord on 1 December 2021. The cancellation was due to declared irregular expenditure emanating from the procurement processes. The investigation conducted confirmed irregularity on the procurement processes. These outcomes concluded that the lease contract had to be terminated. As part of consequence management, INSETA implemented the recommendations of the investigation and legal opinion sought.

A claim against INSETA amounting to R15 806 522 (2023: R15 601 695) was instituted through legal interdictory relief on the cancellation of the office lease accommodation contract. The case is defended through appointed legal representatives. The completion of the matter due to the appeal process could not be estimated with reasonable certainty as at the end of the financial year.

DE-ACCREDITATION OF SKILLS DEVELOPMENT PROVIDER

A legal court matter between INSETA and Graduate Institute of Financial Sciences (GIFS), one of the Skills Development Providers (SDP) on the legacy skills programmes as a result of the decision to de-accredit the SDP, is unfolding. INSETA has filed an application to petition the Supreme Court of Appeal ("SCA") for leave to appeal both the court order of 04 January 2024 and the judgement on 08 April 2024. INSETA is pursuing the legal matter through its legal representatives. The costs could not be quantified during the finalization of these annual financial statements.

27. RELATED PARTIES

RELATIONSHIPS

Members	Refer to members' report note
Controlled entity	Department of Higher Education and Training
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	• Ms. G I Mkhize (CEO) • Ms. Z P Malaza (CFO) • Mr. L Kwapeng (EMO) • Ms. F Safla (EMRM)
Other related parties	Organisations considered to be related to Board members: • Hollard Life Assurance • Insurance Institute of South Africa • CP Naidoo Mosswick Investments • Randsure Insurance and Financial Solutions • Financial Intermediaries Association of South Africa • Financial Planning Institute of Southern Africa • The Association for Savings and Investment South Africa • South African Insurance Association • Public higher education institutions • SASBO Finance Union • Public Entities

RELATED PARTY BALANCES

AMOUNTS INCLUDED IN RECEIVABLE (PAYABLE) REGARDING RELATED PARTIES	2024 R'000	2023 R'000
Services SETA	(198)	(198)
Health and Welfare SETA	(77)	(77)
Financial & Accounting Sector Education And Training	61	61
Media,Information and Communication Technologies SETA	59	59
Unallocated Employers (registrations not finalised)	6	6
Discretionary grants payable to Public Higher Education Institutions	(14 879)	(12 827)

27. RELATED PARTIES (CONTINUED)

	2024 R'000	2023 R'000

AMOUNTS INCLUDED IN THE COMMITMENT BALANCES

Included in commitments is an amount of R202 959 079 (2023: R146 134 000) in respect of contractual commitments to Public higher education institutions, R2 449 660 (2023: R11 041 000) in respect of contractual commitments to other public entities, and R21 772 449 (2023: R8 771 000) in respect of organisations considered to be related to Board members as follows:

Organisations considered to be related to Board members as follows:

	2024 R'000	2023 R'000
Hollard Life Assurance	1 221	6 811
Financial Intermediaries Association of South Africa	-	338
Financial Planning Institute of Southern Africa	1 828	921
South African Insurance Association	1 963	701
SASBO Finance Union	2 756	-
Old Mutual	11 527	-
Tshwane TVET College	1 507	-
Association for Savings and Investments South Africa	970	-

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

RELATED PARTY TRANSACTIONS

REMUNERATION OF BOARD MEMBERS OF INSETA

CLASS	DESCRIPTION	NUMBER
Non-executive board members	Oversight	15
Executive management	Day to day management	04

27. RELATED PARTIES (CONTINUED)

REMUNERATION OF BOARD MEMBERS OF INSETA: 2024	Basic salary R'000	Total R'000
Mr J S Ngubane (Chairperson - Board and Executive Committee)	408	408
Ms L v/d Merwe	116	116
Ms R G Govender (Chairperson - Finance Committee)	85	85
Ms P Mendes	49	49
Ms S T Dinyake	20	20
Mr M Soobramoney (Chairperson - HRR Committee)	84	84
Ms S Anders	83	83
Mr C B Botha	122	122
Ms N B Jonas	94	94
Mr S M Mpuru	90	90
Mr J M Mabena	138	138
Mr K Sungay	158	158
Ms V Pearson	67	67
Ms F Mabaso*	-	-
Ms Z Motsa*	-	-
	1 514	**1 514**

*No remuneration paid to directors that are members or employees of other government institutions.

27. RELATED PARTIES (CONTINUED)

REMUNERATION OF BOARD MEMBERS OF INSETA: 2023	Basic salary R'000	Total R'000
Mr J S Ngubane (Chairperson - Board and Executive Committee)	429	429
Ms R G Govender (Chairperson - Finance Committee)	107	107
Ms A P Mendes	84	84
Ms L van der Merwe	116	116
Ms S T Dinyake	119	119
Mr S M Mpuru	93	93
Mr M Soobramoney	73	73
Ms S Anders	75	75
Mr C B Botha	87	87
Ms S J Kruger**	-	-
Mr J M Mabena	127	127
Mr R P Motlhabane	-	-
Ms V Pearson	46	46
Mr K Sungay	10	10
N B Jonas	50	50
Ms F Mabaso*	-	-
Ms Z Motsa (Chairperson - HRR Committee)*	-	-
	1 416	**1 416**

*No remuneration paid to directors that are members or employees of other government institutions.

**Resigned

The above represents fees paid or accrued to Board members for all committees on which they serve. This disclosure note excludes the remuneration of independent audit committee members. 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-term or long-term benefits were paid to Board members.

27. RELATED PARTIES (CONTINUED)

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT: 2024	Basic salary R'000	Bonuses and performance related payments R'000	Other short-term employee benefits R'000	Total R'000
Ms G I Mkhize - Chief Executive Officer	2 464	220	38	2 722
Ms Z P Malaza - Chief Financial Officer	1 962	96	33	2 091
Mr L Kwapeng - Executive Manager : Operations	1 907	95	33	2 035
Ms F Safla - Executive Manager : Risk Management	1 831	77	32	1 940
	8 164	**488**	**136**	**8 788**

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT: 2023	Basic salary R'000	Bonuses and performance related payments R'000	Other short-term employee benefits R'000	Termination benefits R'000	Total R'000
Ms G I Mkhize - Chief Executive Officer	2 240	218	74	-	2 532
Ms Z P Malaza - Chief Financial Officer	1 050	-	7	-	1 057
Mr T Maake - Acting Chief Financial Officer*	235	-	1	44	280
Ms T J Peele - Chief Operations Officer**	721	162	13	84	980
Ms P Gwala-Mahaye - Executive Manager : Corporate Services	715	-	5	54	774
Mr L Kwapeng - Executive Manager : Operations	1 021	-	7	-	1 028
Ms F Safla - Executive Manager : Risk Management	840	-	6	-	846
	6 822	**380**	**113**	**182**	**7 497**

* Acting Chief Financial Officer – October 2021 to August 2022.
**Chief Operations Officer – Retired August 2022.

28. PRIOR PERIOD ACCOUNTING ERRORS

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flows statement that have been affected by prior period accounting errors:

STATEMENT OF FINANCIAL POSITION: 2023	Note	As previously reported R'000	Correction of error R'000	Re- classification R'000	Restated R'000
Receivables from exchange transactions	8	4 230	(581)	-	3 649
Payables from exchange transactions	6	(21 831)	2 950	3 557	(15 324)
Payables from non-exchange transactions	7	(91 974)	3 239	(3 557)	(92 292)
Operating lease liability/asset	5	(151)	200	-	49
Property, plant and equipment	3	17 097	(10)	-	17 087
Intangible assets	4	1 876	(380)	-	1 496
		(90 753)	**5 418**	**-**	**(85 335)**

RECONCILIATION OF 2023 REPORTED SURPLUS	2023 R'000
Previous year reported surplus	13 632
Net effect of the adjustments as per items below	2 707
	16 339

STATEMENT OF FINANCIAL PERFORMANCE: 2023	Note	As previously reported R'000	Correction of error R'000	Re- classification R'000	Restated R'000
Income from exchange transactions	22	1 272	(1 229)	-	43
Income from non-exchange transactions	20	-	4 803	-	4 803
Employee related costs	17	(34 095)	-	1 480	(32 615)
Discretionary grants expenditure	14	(425 072)	(291)	401	(424 962)
Administrative expenditure	12	(52 322)	(472)	(1 881)	(54 675)
Depreciation and amortisation	18	(843)	(104)	-	(947)
Net effect of the adjustments		**(511 060)**	**2 707**	**-**	**(508 353)**

28. PRIOR PERIOD ACCOUNTING ERRORS (CONTINUED)

RECONCILLIATION OF PRIOR YEAR ACCOUNTING ERRORS:

NET EFFECT OF THE STATEMENT OF FINANCIAL POSITION	2023 R'000
Decrease in receivables from exchange transactions	(581)
Decrease in property, plant and equipment	(10)
Decrease in intangible assets	(380)
Decrease in operating lease liability/asset	200
Decrease in payables from exchange transactions	2 950
Decrease in payables from non- exchange transactions	3 239
	5 418

THE 2022/2023 REPORTED SURPLUS HAS BEEN ADJUSTED BY THE FOLLOWING ACCOUNTING ERRORS:

Income from exchange transactions	(1 229)
Income from non-exchange transactions	4 803
Depreciation and amortisation	(104)
Increase in discretionary grants expenditure	(291)
Increase in administrative expenditure	(472)
	2 707

THE REPORTED OPENING NET ASSETS BALANCE HAS BEEN ADJUSTED BY THE FOLLOWING ACCOUNTING ERRORS.

Prior periods net assets balance adjustments	(5 418)
Transactions affecting 2022/2023 reported surplus	2 707
	(2 711)

RECONCILLIATION OF NET ASSETS BALANCE 1 APRIL 2022

Reported net assets balance 1 April 2022	581 063
Prior to prior period adjustments	2 711
	583 774

29. PRIOR PERIOD ACCOUNTING ERRORS (CONTINUED)

RECEIVABLES FROM EXCHANGE TRANSACTIONS

During the reporting period, management identified office rental expenditure which was incorrectly recognised as receivables from non-exchange transactions during the 2022/2023 financial year. This accounting error resulted in receivables from non- exchange transactions being overstated by R581 000. The comparative figures have been restated accordingly in order to achieve fair presentation in the annual financial statements.

PAYABLES FROM EXCHANGE TRANSACTIONS

During the reporting period, management identified the following misstatements within the payables from exchange transactions:

a) Invoices as at 31 March 2023 amounting to R2 950 000 were duplicated in the accounting records, consequently the payables from the exchange transactions were overstated by an amount of R2 950 000.
b) Payables from non-exchange transactions with an amount of R3 557 000 were misclassified as payables from exchange transactions, consequently the payables from exchange transactions were overstated by the said amount. The comparative figures have been restated to achieve fair presentation in the annual financial statements.

PAYABLES FROM NON- EXCHANGE TRANSACTIONS

During the reporting period, management identified the following misstatements within the payables from non-exchange transactions:

a) Invoices as at 31 March 2023 amounting to R3 239 000 were duplicated in the accounting records, consequently the payables from the exchange transactions were overstated by an amount of R3 239 000.
b) Payables from non-exchange transactions with an amount of R3 557 000 were misclassified as payables from non- exchange transactions, consequently the payables from non-exchange transactions were understated by the said amount. The comparative figures have been restated to achieve fair presentation in the annual financial statements.

OPERATING LEASE ASSET AND LIABILITY

During the year ended 31 March 2024, management determined that an operating lease incentive as stipulated in the lease agreement was incorrectly excluded in the calculations of the lease liability during the 2022/2023 financial year, consequently the operating lease asset was understated by an amount of R200 000 and overstated the operating lease liability with an amount of R151 000. In order to achieve fair presentation, the lease liability and the related lease asset was restated accordingly with the specified amount.

PROPERTY, PLANT AND EQUIPMENT

During the reporting period, management identified depreciation expense which have been incorrectly accounted for, amounting to a total net amount of R10 000 which resulted in an understatement of depreciation as well as an overstated of property, plant and equipment balance as at 31 March 2023.

INTANGIBLE ASSETS

During the reporting period, management identified amortisation which have been incorrectly accounted for, amounting to a total net amount of R380 000 which resulted in an understatement of amortisation as well as an overstatement of intangible assets as at 31 March 2023.

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29. PRIOR PERIOD ACCOUNTING ERRORS (CONTINUED)

INCOME FROM EXCHANGE TRANSACTIONS

During the reporting period, management identified a misclassification from income from exchange transactions which should be correctly classified as income from non-exchange transactions relating to refunds during the 2022/2023 financial year.The error on income from non-exchange transactions was corrected with an amount of R1 229 507 to achieve fair presentation in the annual financial statements

OTHER INCOME FROM NON - EXCHANGE TRANSACTIONS

For the reporting period ended 31 March 2023, management erroneously recorded refunds amounting to R4 802 000 as revenue from exchange transactions and further erroneously charged the expenditure account during the 2022/2023 financial year. To achieve fair presentation in the annual financial statements, the accounting error was corrected accordingly and the comparative figures in the annual financial statements were restated.

EMPLOYEE RELATED COSTS

For the reporting period ended 31 March 2023, management incorrectly classified bonus provision expense for project related employees under employee related costs, thus overstated employee related costs and understated project administration expenditure with an amount of R1 539 000. Furthermore a transaction relating to employee wellness programme was incorrectly classified to discretionary grant expenditure with an amount of R59 000. Consequently the employee related costs were corrected with an overall amount of R1 480 000.

DISCRETIONARY GRANTS EXPENDITURE

During the reporting period, management identified expenditure that was incorrectly duplicated in the previous reported periods amounting to R291 000. To achieve fair presentation, the comparative figures in the annual financial statements have been restated accordingly.

Furthermore management identifiesd the following transactions which have been misclassified:

a) Invoices amounting to R1 881 000 were incorrectly misclassified as discretionary expenditure and subsequently overstated the discretionary grants expenditure.

b) For the reporting period ended 31 March 2023, management incorrectly classified bonus provision expense for project related employees under employee related costs, thus overstated employee related costs and understated project administration expenditure with an amount of R1 539 000. Furthermore a transaction relating to employee wellness programme was incorrectly classified to discretionary grant expenditure with an amount of R59 000. Consequently the discretionary grant expenditure was corrected with an overall amount of R401 000.

ADMINISTRATIVE EXPENSES

During the reporting period, management identified transactions which have been incorrectly accounted for, amounting to a total net amount of R2 353 000 within the administrative expenditure for the 2022/2023 financial year. The following restated individual transactions are further explained below:

a) Invoices amounting to R472 000 for 2022/2023 financial year, were duplicated in the accounting records, consequently the administrative expenses and payables were overstated.

b) Invoices amounting to R1 881 000 were incorrectly misclassified as discretionary expenditure and subsequently understated the administrative expenditure.

DEPRECIATION AND AMORTISATION

During the reporting period, management identified depreciation and amortisation which have been incorrectly accounted for, amounting to a total net amount of R390 000 which resulted in an understatement of depreciation and amortisation as well as an over statement of property, plant and equipment and intangible assets for the 2022/2023 financial year.

29. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

FINANCIAL ASSETS	2024 R'000	2023 R'000
Receivables from exchange transactions at amortised cost	642	710
Receivables from non-exchange at amortised cost	1 152	1 187
Cash and cash equivalents at amortised cost	673 240	691 209
	675 034	**693 106**

FINANCIAL LIABILITIES

Payables from exchange transactions at amortised cost	(5 802)	(13 446)
Payables from non-exchange transactions at amortised cost	(44 841)	(72 177)
	(50 643)	**(85 623)**

FINANCIAL INSTRUMENTS IN THE STATEMENT OF FINANCIAL PERFORMANCE

Interest income at amortised cost	53 683	37 273

30. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

LIQUIDITY RISK

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and 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.

30. RISK MANAGEMENT (CONTINUED)

AT 31 MARCH 2024	Carrying amount R'000	Contractual cash flows R'000	less than 1 year R'000	1 - 2 years R'000	More than 2 years R'000
Payables from exchange transactions	(5 802)	(5 802)	(5 802)	-	-
Payables from non-exchange transactions	(44 841)	(44 841)	(44 841)	-	-
	(50 643)	**(50 643)**	**(50 643)**	**-**	**-**
AT 31 MARCH 2023					
Payables from exchange transactions	(13 446)	(13 446)	(13 446)	-	-
Payables from non-exchange transactions	(72 177)	(72 177)	(72 177)	-	-
	(85 623)	**(85 623)**	**(85 623)**	**-**	**-**

The above excludes non-financial instruments disclosed in notes 7 and 8, namely employee-related liabilities and skills development grants payable.

CREDIT RISK

Financial assets that 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 (CPD) 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 credit risk, this is managed on a group basis. 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 that may have a significant impact on accounts receivable that have not been provided for. Receivables are presented net of allowance for impairment.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

FINANCIAL INSTRUMENTS	2024 R'000	2023 R'000
Receivables from exchange transactions (notes 8)	642	710
Receivables from non-exchange transactions (note 9)	1 152	1 187
Cash and cash equivalents (excludes cash on hand) (note 10)	673 240	691 209

30. RISK MANAGEMENT (CONTINUED)

2023-2024 AGE ANALYSIS	Current R'000	30-60 days R'000	61-90 days R'000	91-120 days R'000	More than 120 days R'000	Carrying amount R'000
Receivables from exchange transactions	642	-	-	-	-	642
Receivables from non-exchange transactions	1 152	-	-	-	-	1 152
Cash and cash equivalents	673 240	-	-	-	-	673 240
	675 034	**-**	**-**	**-**	**-**	**675 034**
	675 034	**-**	**-**	**-**	**-**	**675 034**

2022-2023 AGE ANALYSIS						
Receivables from exchange transactions	710	-	-	-	-	710
Receivables from non-exchange transactions	1 187	-	-	-	-	1 187
Cash and cash equivalents	691 209	-	-	-	-	691 209
	693 106	**-**	**-**	**-**	**-**	**693 106**
	693 106	**-**	**-**	**-**	**-**	**693 106**

INTEREST RATE RISK

CASH FLOW INTEREST RATE RISK: 2024	Interest bearing amount R'000	Effective interest rate R'000	Non-interest bearing amount R'000	Total R'000
Cash and cash equivalents	673 240	8.25%	-	673 248
Receivables from exchange transactions	-	-	642	642
Receivables from non-exchange	-	-	1 152	1 152
Payables from exchange transactions	-	-	(5 802)	(5 802)
Payables from non-exchange transactions	-	-	(44 841)	(44 841)
	673 240	**-**	**(48 849)**	**624 399**

30. RISK MANAGEMENT (CONTINUED)

CASH FLOW INTEREST RATE RISK: 2023	Interest bearing amount R'000	Effective interest rate R'000	Non-interest bearing amount R'000	Total R'000
Cash and cash equivalents	691 209	6.04%	-	691 209
Receivables from exchange transactions	-	-	710	710
Receivables from non-exchange	-	-	1 187	1 187
Payables from exchange transactions	-	-	(13 446)	(13 446)
Payables from non-exchange transactions	-	-	(72 177)	(72 177)
	691 209	**-**	**(83 726)**	**607 483**

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 as well as 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.

31. GOING CONCERN

INSETA has been managing its working capital requirement and liquidity management objectives which confirms its financial sustainability. A going concern assessment was undertaken as at 31 March 2024 which indicated the financially healthy position of INSETA.

For the year ended 31 March 2024, a surplus of R21 219 397 was realised with a net assets balance of R621 330 000.The current ratio measured at 7,04:1, primarily as a result of cash and cash equivalents balance which had an amount of R673 240 000.

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

32. EVENTS AFTER THE REPORTING DATE

The Chairperson of the board resigned with effect from 25 June 2024. The event is a non-adjusting event to the annual financial statements.

33. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

	2024 R'000	2023 R'000
Irregular expenditure	683	5 006
Fruitless and wasteful expenditure	-	-
	683	**5 006**

The irregular expenditure incurred and disclosed above relates to the continuation of expenditure of R408 000 for board appointment which was declared irregular during the previous reporting periods. The board resolved under the resolution (No. BRD038/2023) to remove the irregular expenditure incurred as well as any subsequent expenditure thereof.

There was no fruitless and wasteful expenditure incurred during the reporting period.

34. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

The adjustments between the original budget and final budget were approved by the relevant authorities. The following variances between actual amount and the final budget amount which are above 10% and are considered significant are explained hereunder:

Other income from exchange transactions	100%	The variance is due to the proceeds from Insurance as well staff recoveries related to bursaries.
Interest income	45%	The over recovery in interest income is primarily due to the positive cash and cash equivalent balance with the Corporation for Public Deposits. There was no withdrawal of funds from CPD account during the reporting period.
Skills Development Levy income	13%	The over recovery in Skills Development Levy income is mainly attributable to the economic and improved financial health position of employers within the insurance and related industry. The insurance industry is exposed to great opportunities whenever there is movement and with disaster situations as compared to COVID19 disruption with limited movement.
Other income from non-exchange transactions	100%	The variance is mainly due to the refunds from employers and Higher Education Institutions (HEI's) on contract deliverables not fully achieved.
Loss on disposal of property , plant and equipment	-100%	The significant variance is due to loss on disposed assets due to various reasons such as theft and robbery. The Loss Control Policy was developed and will be implemented during the 2024/25 financial year to prevent and mitigate loss of assets.
Depreciation and amortisation	-354%	The variance is attributable to the procurement of new office furniture assets and the overall completion of the leasehold improvement capitalised and subsequently depreciated upon usage.
Employer grants	-12%	The variance is attributable to the economic recovery resulting in improved financial health position of employers in the Insurance Sector as well as the improved approval processes of the Annual Training Report (ATR) and Work Skills Plan (WSP) for qualifying employers.
Administration expenses	-21%	The increase in administration expenses is mainly attributable to the increase in Skills Development Levy income which increased operational expenses as well costs associated with the organisational turnaround and renewal processes employed.

34. BUDGET DIFFERENCES

Prior year approved surplus	100%	An approval to retain the 2022/2023 cash surplus amounting to R575,7 million was granted by National Treasury during October 2023. The approval was granted for the surplus to be utilised for the committed skills programmes as well as to augment the high demand for Skills Development Programmes within the Insurance and related Sector. The approval was granted in accordance with Section 53(3) of the PFMA and National Treasury Instruction Note 12 of 2020/21.
Public contributions and donations	100%	The public contributions and donations primarily include donations for the Insurance Sector Student Fund (ISSF) as well as the recognition of the assets donated to INSETA for wellness related programs.
Discretionary grants	54%	The variance is mainly due to the timing differences between DG contracting and incurring of the expenditure during the reporting period. The approval to retain the 2022/2023 cash surplus was granted in October 2023 which impacted on the DG expenditure performance for the reporting period. The 2023/2024 budget is committed as per the Note 26 to these annual financial statements.
Employee related costs	-41%	The variance is mainly due to the implementation of the entity's approved organisational structure with an achievement of a 96 percent rate for filled positions, as well as the implementation of the cost of living adjustment as approved by the delegated governance structure.
SDL: penalties and interest	-76%	The penalties and interest variance is mainly attributable to the improved financial position for employers that were able to timeously pay the Skills Development Levy to SARS.

APPENDIX A
COMMITMENT REGISTER 31 MARCH 2024

Project	Programme	Audited Closing Balance 2023	Restatements	*Restated Opening Balance	New Contracts	Addendums	Total Expenditure	Adjustments	Closing Balance
INPROJ000161	Establishment of INSETA Research Chair Centre 2019/20	3 756 666	803 926	2 952 740	-	1 300 000	421 400	-	3 831 340
INPROJ000195	Catalytic Worker Programme 2019/20	3 577 720	-	3 577 720	-	-	3 084 640	493 080	-
INPROJ000196	Catalytic Youth Programme 2019/20	2 530 000	9 074 200	11 604 200	-	-	3 885 000	-	7 719 200
INPROJ000203	Qualification and Assessment Development 2020/21	20 000	-	20 000	-	-	-	20 000	-
INPROJ000210	Bursary for Workers 2020/21	2 110 365	-	2 110 365	-	-	2 110 365	-	-
INPROJ000212	Skills Programme for Youth 2021/22	690 300	45 500	735 800	-	-	111 150	234 650	390 000
INPROJ000213	Internships 2021/22	11 219 933	530 300	11 750 233	-	-	5 498 924	6 251 309	-
INPROJ000214	Work Integrated Learning Programme 2021/22	16 637 931	-	16 637 931	-	-	7 782 836	5 735 271	3 119 824
INPROJ000215	Learnership for TVET colleges 2021/22	30 849 774	412 016	30 437 758	-	-	12 967 849	17 238 022	231 887
INPROJ000216	Skills Programme for Workers 2021/2022	4 280 738	3 013	4 277 725	-	-	3 245 813	1 031 912	-
INPROJ000217	Bursary for Workers 2021/2022	13 539 496	101 000	13 438 496	-	60 000	5 399 210	7 645 286	454 000
INPROJ000218	Bursary for Unemployed Youth 2021/22	9 778 866	43 478 619	53 257 485	-	-	600 858	52 656 627	-
INPROJ000228	PMO Admin 2021/2022	702 457	702 457	-					
INPROJ000229	Project Automations	-	-	-	345 000	-		-	345 000
INPROJ000230	Special Projects 2021/22	7 194 268	2 602 886	9 797 154	-	-	3 677 295	2 886 924	3 232 935
INPROJ000240	Internships 2022/23	74 791 300	1 026 000	75 817 300	-	-	50 521 200	662 500	24 633 600
INPROJ000242	Learnership for Youth 2022/23	56 262 600	65 200	56 327 800	65 200	-	32 221 793	502 867	23 668 341
INPROJ000243	Learnership for Workers 2022/23	9 428 000	-	9 428 000	-	-	6 547 667	20 000	2 860 333
INPROJ000247	Sector Priority Research Studies 2022/23	1 575 000	-	1 575 000	-	-	750 000	-	825 000
INPROJ000249	Retiree Programme 2022/23	700 673	-	700 673	-	-	700 673	-	-
INPROJ000251	Skills Programme for Youth 2022/23	2 563 600	-	2 563 600	-	-	954 200	622 700	986 700
INPROJ000252	Skills Programme for Workers 2022/23	15 336 680	-	15 336 680	7 500	-	12 854 892	1 612 913	876 375
INPROJ000254	Work Integrated Learning Programme 2022/23	29 954 319	1 500 500	31 454 819	-	-	18 108 300	-	13 346 519
INPROJ000256	Bursary for Workers 2022/23	34 756 452	27 489	34 728 963	-	-	20 991 260	252 605	13 485 098
INPROJ000257	Bursary for Unemployed Youth 2022/23	23 647 750	3 467 740	27 115 490	-	-	12 483 827	14 631 662	-
INPROJ000259	Candidacy programme 2022/23	32 460	-	32 460	-	-	25 150	-	7 310
INPROJ000261	Qualification and Assessment Development 2022/23	-	-	-	25 000	-	25 000	-	-
INPROJ000263	Recognition of Prior Learning (RPL) 2022/23	558 900	-	558 900	-	-	558 900	-	-
INPROJ000279	Adult Education & Training 2022/23	140 000	30 000	170 000	-	-	162 500	7 500	-
INPROJ000283	Promotion of Insurance 2022/23	123 829	-	123 829	-	-	-	-	123 829
INPROJ000285	TVET Placement Project 2022/23	13 608 000	-	13 608 000	-	-	9 437 185	-	4 170 815

The supplementary information presented does not form part of the annual financial statements and is unaudited

Project	Programme	Audited Closing Balance 2023	Restatements	*Restated Opening Balance	New Contracts	Addendums	Total Expenditure	Adjustments	Closing Balance
INPROJ000289	Special Projects 2022/23	46 197 672	949 941	47 147 613	-	200 000	33 624 011	1 154 076	12 569 527
INPROJ000292	Internships 2023/24	-	-	-	68 203 494	-	10 348 800	-	57 854 694
INPROJ000294	Learnership for Youth 2023/24	-	-	-	65 369 100	-	16 306 304	-	49 062 796
INPROJ000295	Learnership for Workers 2023/24	-	-	-	18 617 200	-	5 607 633	-	13 009 567
INPROJ000296	Learnership for Youth	-	-		422 500	-		-	422 500
INPROJ000297	Sector Research 2023/24	-	-		3 601 054		-	-	3 601 054
INPROJ000299	Impact Studies for INSETA Programs	-	-		207 000	-		-	207 000
INPROJ000302	Bursary for Youth 2023/24	59 295 111	-	59 295 111	13 457 239	-	51 585 687	380 000	18 676 332
INPROJ000303	Bursary for Workers 2023/24	-	-	-	35 945 739	1 829 684	7 761 893	8 365	30 005 164
INPROJ000304	Bursary 2023/24	-	-	-	153 791	-	153 791	-	-
INPROJ000305	Skills Programme for Workers 2023/24	-	-	-	13 235 459	2 138 500	1 364 304	-	14 009 655
INPROJ000307	Work Integrated Learning for 2023/24	-	-	-	35 838 150	25 157 250	23 252 660	-	37 742 740
INPROJ000309	AET 2023/24	-	-	-	277 500	15 000	-	-	292 500
INPROJ000311	Skills Programme for Youth 2023/24	-	-	-	4 680 000	-	3 417 700	-	1 262 300
INPROJ000314	Qualification and Assessment Development 2023/24	-	-	-	6 078 066	-	1 672 884	935 500	3 469 682
INPROJ000316	Recognition of Prior Learning (RPL) 2023/24	-	-	-	3 875 000	-	3 712 500	-	162 500
INPROJ000318	TVET Lecturer Development 2023/24	-	-	-	450 000	-	324 136	125 864	-
INPROJ000320	CET Lecturer Development 2023/24	-	-	-	112 500	-	112 500	-	-
INPROJ000326	Special Projects 2023/24	-	-	-	117 364 214	3 200 000	33 479 977	410 016	86 674 221
INPROJ000328	Promotion of Insurance 2023/24	-	-	-	12 332 558	-	2 930 958	-	9 401 600
INPROJ000333	ISSF Project 2023/24	2 682 100	-	2 682 100	21 764 145	130 867	19 270 256	3 504 092	1 802 765
INPROJ000335	Cooperatives Supported 2023/24	-	-		910 000	-		-	910 000
INPROJ000337	Small businesses supported	-	-	-	3 488 333	-	-	-	3 488 333
INPROJ000341	OPDR 2023/2024	-	-	-	402 500		201 250	-	201 250
INPROJ000342	Candidacy for Youth	-	-	-	7 302 954	-	-	-	7 302 954
INPROJ000350	Bursary for Youth 2023/24	-	-	-	51 152 000	6 650 000	-	-	57 802 000
		478 542 960	**60 720 984**	**539 263 944**	**485 683 196**	**38 570 971**	**430 255 130**	**119 023 741**	**514 239 240**

Project expenditure	430 255 130
Project administration	36 317 972
Total DG expenditure	**466 573 102**

* The opening balance have been restated to recognise transactions previously not correctly accounted for..

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