



ANNUAL REPORT
2013 - 2014





CATHSSETA ANNUAL REPORT

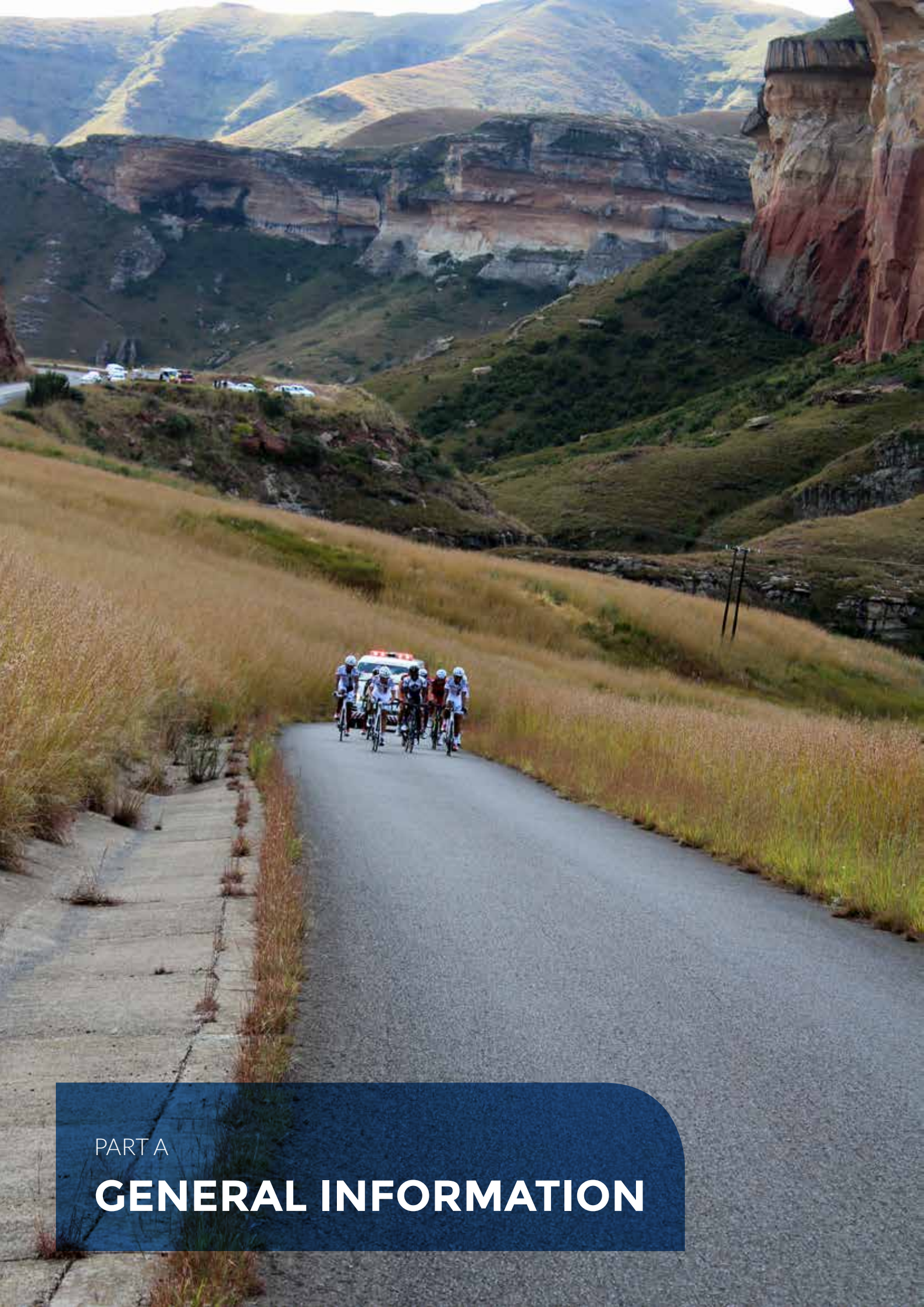
2013 -2014

CONTENTS

CATHSSETA Annual Report 2013/2014

PART A GENERAL INFORMATION	4
Public entity's general information	5
List of abbreviations/acronyms	6
Foreword by the chairperson	8
Chief executive officer's overview	10
Statement of responsibility for performance information	12
Strategic Overview	13
Legislative and other mandates	14
Organisational structure	15
Departmental Reports	17
Chamber Reports	69
PART B PERFORMANCE INFORMATION	99
Report: Predetermined Objectives	100
Situational Analysis	100
Strategic Outcome Oriented Goals	101
Overview of public entity's performance	103
Performance information by programme	
Summary of Annual Performance Plan	105
Consolidated Summary of the Quarterly Monitoring Report	106 - 107
Programme 1- 17	108 - 117

PART C GOVERNANCE	127
Introduction	128
Executive Authority	128
The Accounting Authority / Board	128
Portfolio Committees	132 - 135
Risk Management	136
Internal Control Unit	136
Fraud and Corruption	136
Minimising Conflict of Interest	136
Health Safety and Environmental Issues	136
PART D HUMAN RESOURCE MANAGEMENT	137
Introduction	138
Human resource oversight statistics	139
PART E FINANCIAL INFORMATION	154
Report of the Audit Committee	158
Report of the Auditor General	160
Report of the Accounting Authority	169
Statement of Financial Performance	176
Statement of Financial Position	177
Statement of Changes in Net Assets	178
Cash Flow Statement	180
Notes to the Annual Financial Statements	182



PART A

GENERAL INFORMATION

Registry Entity Name		Entity Information	
The entity is registered as the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority, also known as CATHSSETA	Reg No.	25/CATHSSETA/1/04/11	
	Tel.	+27 11 217 0600	
	Fax.	+27 11 783 7745	
	Email.	info@CATHSSETA.org.za	
	Website.	www.CATHSSETA.org.za	
	Board Secretary	Masumi Motsileng	
Physical Address		Postal Address	
01 Newtown Avenue Ground Floor Killarney Johannesburg 2193		P. O. Box 1329 Rivonia 2128	
External Auditors		Internal Auditors	
Auditor General of South Africa P. O. Box 446 Pretoria South Africa		Grant Thornton Advisory Services/ Rebahale Consulting 137 Daisy Street Sandown 2196	
Nedbank		Investec	
Upper Ground Floor Block I 135 Rivonia Road Sandown Sandton 2196		100 Grayston Drive Sandown Sandton 2196	
P. O. Box 1144 Johannesburg 2000 South Africa		P. O. Box 785700 Sandton 2146 South Africa	
Rand Merchant Bank		FNB	
1 Merchant Place Cnr Fredman and Rivonia Road Sandton 2196 South Africa		7 th Floor 1 First Place Bank City Cnr Simmonds and Pritchards Streets Johannesburg	
		P. O. Box 1153 Johannesburg 2000	
Standard Bank			
156 Fifth Street, Sandton, 2196		Private Bag X2, Benmore, 2010	

LIST OF ABBREVIATIONS /ACRONYMS

Below is a full list of abbreviations / acronyms for reference when reading through the Annual Report document.

AET	Adult Education and Training
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
ATR	Annual Training Report
BBBEE	Broad-based Black Economic Empowerment
BCRCAT	Bargaining Council for the Restaurant, Catering and Allied Trades
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CATRA	Catering and Restaurant Allied Trade Association
DAC	Department of Arts and Culture
DEA	Department of Environmental Affairs
DHET	Department of Higher Education and Training
FEDHASA	Federated Hospitality Association of Southern Africa
FET	Further Education and Training
HEI	Higher Education Institution
HIV	Human Immunodeficiency Virus
HOTELLICA	Hotel, Liquor, Catering Commercial and Allied Workers Union of South Africa
HRDSSA	Human Resource Development Strategy for South Africa
ISOE	Institute of Sectoral Excellence
IPAP	Industrial Policy Action Plan
M&E	Monitoring and Evaluation
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-term Expenditure Framework
MTSF	Medium-term Strategic Framework
NACTU	National Council of Trade Unions
NAFCOC	National African Federated Chamber of Commerce and Industry
NAMB	National Artisan Moderating Body
NCV	National Certificate (Vocational)
NDP	National Development Plan
NDT	National Department of Tourism
NICP	National Industrial Policy Framework
NSDS	National Skills Development Strategy
NGO	Non-governmental Organisation
NQF	National Qualifications Framework
NSF	National Skills Fund
OFO	Organising Framework for Occupations
PCHET	Portfolio Committee on Higher Education and Training
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trades and Occupations
SACCAWU	South Africa Commercial, Catering and Allied Workers Union
SASCOC	South African Sports Confederation and Olympic Committee
SAQA	South African Qualifications Authority
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro-sized Enterprises
SP	Strategic Plan
SRSA	Sport and Recreation South Africa
SSP	Sector Skills Plan
the dti	The Department of Trade and Industry
THETA	Tourism, Hospitality and Sport Sector Education and Training Authority
WSP	Workplace Skills Plan



2013/2014 CHAMBER ALIGNED EVENTS

CHAIRPERSON'S FOREWORD



INTRODUCTION

The Honourable Minister, Dr. Bonginkosi Nzimande, it is great honour to present to you the CATHSSETA Annual Report for the year ending 31 March 2014.

STRATEGIC OVERVIEW

This SETA has in the year under review faced a myriad of governance, institutional human resources challenges that have resulted in the institution's inability to achieve its objectives. Regrettably, a lot of productive time has been spent on issues that have nothing to do with the operational affairs of the institution.

The current board is divided and, therefore, unable to provide effective leadership resulting in management taking advantage of the lacuna created.

We have encountered a peculiar challenge emanating from the resignation of certain nominated directors from the sponsoring institution, a situation that should lead to such members vacating the board in terms of the provisions of the Constitution of the SETA.

However, the affected directors have chosen to refuse to vacate their seats arguing that once appointed as directors they cease to represent their sponsoring institutions on the board.

This has caused the board not to be properly constituted. In view of the foregoing, there is need for the Minister to address the issue of the board composition as a matter of urgency.

For the SETA to continue to efficiently and effectively execute its mandate there is need to appoint a board that is independent, impartial and detached.

In the 2012/2013 financial year, the Accounting Authority stated that it had embarked on an OD exercise that was meant to focus the organisation on teamwork and collaboration, consistent leadership and solid capacity at all levels of the organisation and a clear understanding of where accountability lies.

In light of the above, this report is necessarily a far cry from the undertakings that we made. This is evidenced by the SETA's inability to put in place the M&E unit to assist us in measuring the impact of our interventions in the skills landscape and failure to implement key decisions made by the Accounting Authority by the executive team.

Effective leadership of the organisation was severely compromised and hampered at all levels in the year under review; we failed to meet our annual performance targets even after the concerted effort of the accounting authority to provide guidance and support.

Whilst we made strides in governance, too many times during the year under review, our foundation sank into the sand, this is evidenced by the number of meetings we held as well as internal audit reviews that were commissioned by the Accounting Authority with the implementation of the findings still outstanding.

The good story to tell could have been possible but for the an organisation that experienced turbulence and non-cohesiveness due to infighting and total lack of understanding and appreciation of accountability and oversight responsibility expected of each and every board member and the executive management team.

We still have to continue to fight, to accomplish the goals for which the SETA stands for.



Adv. B Madumise
Board Chairperson
CATHSSETA
31 March 2014

CHIEF EXECUTIVE OFFICER'S OVERVIEW



The honourable Minister of Higher Education and Training Dr. Bonginkosi 'Blade' Nzimande, members of CATHSSETA's Accounting Authority and stakeholders in the Culture, Arts, Heritage, Tourism, Hospitality, Sport, Recreation, Fitness, Conservation and Gaming and Lotteries sectors; it is my pleasure to present CATHSSETA's Annual Report for the year ending 31 March 2014.

As South Africa celebrates 2 decades of freedom and democracy; I would like to take this opportunity to pay homage to the lost lives and express appreciation to all who against all odds persevered and ensured that South Africans young and old are assured of a prosperous future protected by our constitution.

Central to this constitution is the Bill of Human Rights; stipulated among the rights to dignity, freedom of expression, non racism, non sexism and healthcare to mention a few is the right to education.

When the SETAs were established 12 years ago, the objective was to ensure that the continuously identified skills gaps within various sectors of the economy are appropriately curbed to ensure that South Africa is able to respond to the global market needs as experienced through various sectors of the South African economy.

These institutions were mandated to facilitate skills development and training in each of the country's economic sectors by encouraging various employers in each sector to participate in learnerships, internships and continued learning for the unemployed and the employed respectively.

I am proud to announce that during the financial year under review CATHSSETA has forged a number of partnerships with employers within its sector and institutions of Higher Learning which have seen the successful implementation of various learnerships and work integrated learning programmes. Please refer to the Projects section of this report from pages 52 - 67 for a detailed account.

In the previous financial year, it was reported that an organisational development exercise had been concluded and its recommendations were to be implemented in the financial year under review. Below is an update on how this process has unfolded.

DISBANDING OF THE PMO OFFICE

The disbanding of the Projects Management Office (PMO) was implemented in the third quarter and the staff that was previously in this department were incorporated into various other existing CATHSSETA departments' in-line with the relevance of their knowledge and expertise to maximise the SETA's output in the achievement of its goals.

APPOINTMENT OF THE COO

The SETA also appointed a Chief Operating Officer who was assigned the responsibility of overseeing all the operational activities of the CATHSSETA with the purpose of affording the CEO the opportunity to focus and apply his expertise to strategic development and planning that will advance the organisation's fulfillment of its mandate

MONITORING AND EVALUATION UNIT

Whilst the above can be counted amongst our achievements in the fulfillment of the OD exercise recommendations, we also encountered a number of delays, particularly with the establishment of the monitoring and evaluation unit.

Our projections were that this unit will be established and fully functional by the end of the financial year under review. However the incorporation of staff from the now defunct PMO proved to be a lengthy exercise due to some soft HR related issues, which needed to be considered

in order to ensure buy in from all concerned. As such the staff incorporation was only concluded in the third quarter of the financial year with the last quarter dedicated to the realignment of programmes. We are however confident that this unit will be fully functional with a dedicated team and will present us with data that we can report on in the next financial year.

As with all organisations undergoing change, CATHSSETA has seen turbulent episodes during this financial year particularly in relation to HR matters which have resulted in the suspension and dismissal of some of our colleagues. A detailed report relating the grievances which resulted in these decisions is contained from page 137 of the HR report under PART D.

CATHSSETA also has continuously ensured that all its employees are educated to act against and report on corruption through a confidential toll free service set up two years ago specifically for this purpose.

I wish to take this opportunity and extend a word of appreciation to the CATHSSETA board and staff for ensuring that we continue to set the bar high and successfully fulfill our mandate.



Mike Tsotetsi
Chief Executive Officer
CATHSSETA
31 March 2014

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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

The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity. The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2014.

Yours faithfully



Chief Executive Officer
Mike Tsoetsi
31 March 2014



Chairperson of the Board
Advocate Brenda Madumise
31 March 2014

STRATEGIC OVERVIEW

VISION

Sustainable People Development for Prosperity

MISSION

To facilitate the skills development of our people through creating strategic partnerships to ensure a meaningful contribution to the economic growth within our sector

VALUES

- Service Excellence
- Efficiency
- Equity
- Integrity
- Partnership
- Quality
- Accessibility

LEGISLATIVE AND OTHER MANDATES

In order to give effect to the constitution, the Skills Development Act (No 97 of 1998) makes provision for the establishment of SETA's for each national economic sector and thereby aims to develop the skills of the South African workforce by increasing the investment in education and training in the labour market; and encouraging employers to play a meaningful role in developing employees, particularly the previously disadvantaged.

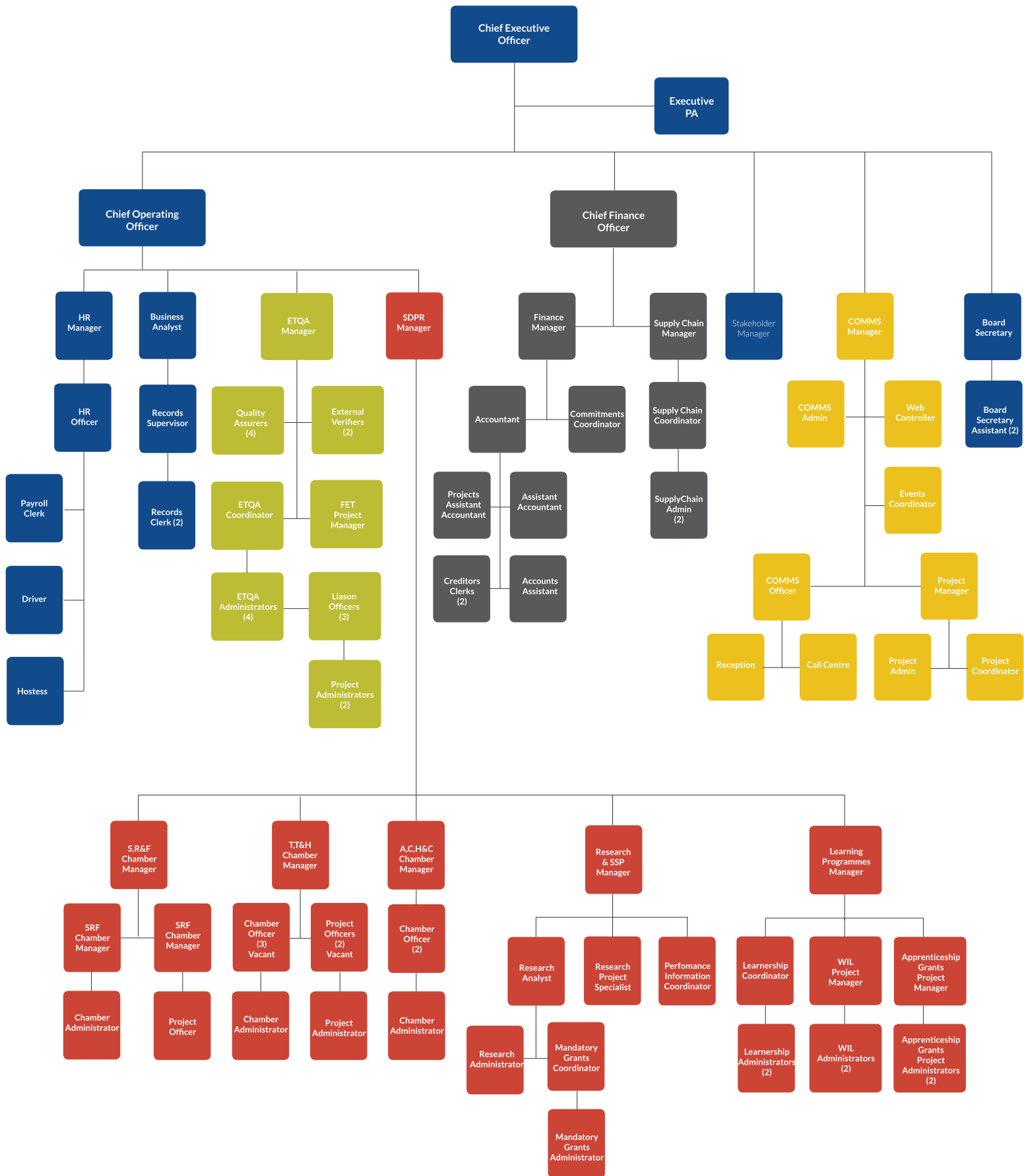
The Skills Development Levies Act of 1999 (SDLA) and the revised Grant Regulations (December 2012) provide for the programmes with funding policies and regulations, which are intended to stimulate investment in skills development and learning interventions.

The following pieces of legislation (and their amendments) determine the establishment mandate, scope, operating procedures and reporting requirements of the Sector Education and Training Authority (SETA).

LEGISLATION or REGULATIONS	PURPOSE
The Skills Development Act of 1998	<ul style="list-style-type: none"> • SETA Institutional Establishment legislation
South African Qualifications Authority Act of 1995	<ul style="list-style-type: none"> • Provides for the development and implementation of a National Qualifications Framework and establishment of the South African Qualifications Authority
Education and Training Quality Assurance Bodies Regulations of 1998	<ul style="list-style-type: none"> • To guide the accreditation of bodies responsible for monitoring and auditing the provision and achievement of NQF registered standards and qualifications
Skills Development Levies Act of 1999	<ul style="list-style-type: none"> • To impose the payment of skills levies by employer organisations to motivate investment in skills development
Learnership Regulations of 2006	<ul style="list-style-type: none"> • Guidelines to regulate the establishment and implementation of learnerships in the workplace
National Qualifications Framework Act of 2008	<ul style="list-style-type: none"> • To provide for NQF, SAQA and Quality Councils
New Grant Regulations, came into effect on 1 April 2013 (Government Gazette no. 35940, published on 3 December 2012).	<ul style="list-style-type: none"> • The guidelines are intended to assist the Sector Education and Training Authorities (SETAs) in the development of internal policies and procedures in response to the Grant Regulations.

Together, these pieces of legislation form the foundation of an institutional framework for the SETA to develop and implement national, sectoral and workplace strategies. Such strategies are intended to improve workforce skills, productivity and employee employability.

ORGANISATIONAL STRUCTURE





2013 -2014 CHAMBER ALIGNED EVENTS

DEPARTMENTAL REPORTS

The scope of CATHSSETA and the extent of its operations covers the following business sectors:

- Arts, Culture and Heritage
- Tourism
- Hospitality
- Conservation
- Sport recreation and fitness and
- Gaming and lotteries

To adequately fulfil the SETA's mandate, CATHSSETA had since the launch of NSDS III until the third quarter of 2013-14 financial year set up departments that would be responsible for carrying out the SETA's implementation plan. These were structured as follows:

- Corporate Services
- Skills, Research and Planning (SDPR)
- Quality Assurance (QA)
- Project Management Office (PMO)
- Communications and Marketing
- Finance and Supply Chain

However; based on the recommendations of the OD exercise which were implemented in the last quarter of the financial year under review; the PMO department was disintegrated and the staff members who previously formed part of this unit were strategically incorporated into the remainder of CATHSSETA departments to streamline similar activities and exercise better monitoring of interventions.

This segment of the report delineates the activities of the various departments mentioned above.

CORPORATE SERVICES DEPARTMENT

The Corporate Services Department (CSD) is largely responsible for the organisation's administrative functions. This department is strategically led by the CATHSSETA CEO this includes matters relating to the accounting authority and the overall governance of the organisation of which a detailed report is contained on section C of this report.

However, operational activities of each of the remaining CATHSSETA departments report to the office of the COO. Below is a narrative account on the activities of each of these departments aligned to the office of the COO in the financial year under review:

- IT Unit
- Records Management Unit
- Communications and Marketing
- Stakeholder Relations
- Skills Development, Planning and Research
- PMO (this department has since been dissolved)
- (QA) Quality Assurance
- Human Resources

INFOMATION TECHNOLOGY DEPARTMENT

The Information Technology (IT) Department is mainly concerned with protecting and securing information pertaining to the business of CATHSSETA, its stakeholders and all other third parties who interact with the organisation for business and related activities.

The information systems sector provides standard practiced business process mapping, office automation and data processing services which increases the effectiveness of all CATHSSETA departments.

Software and technical support is provided to evaluate, procure, develop or modify software programs to the specified needs of various operating departments. Hardware and technical support, remote and local area operating platforms and centralised computer processing services are provided on all major systems.

Other areas of support include report generation and distribution, input/output and tape controls, system backups and website content management.

The department ensures amongst other things, quality data management and policy adherence including business intelligence services dissemination to all CATHSSETA departments.

The staff complement for this department comprises of

- An IT Specialist
- Two Systems Specialists
- Business Analyst

The IT specialist and systems specialists are outsourced from Deloitte and Touche, who for the financial year under review were awarded the tender to look after CATHSSETA's IT systems. This team of IT specialists report to the CATHSSETA's Business Analyst.

AREAS OF RESPONSIBILITIES

The scope of responsibilities for this department focuses on five key areas outlined below:

- Establish and maintain management and employee accountability for the protection of information technology resources.
- Promulgate the policies regarding the security of data and information technology resources.
- Define the minimum security standards for the protection of information technology resources.
- Define the rules of conduct, behaviour and procedures for the usage of Communication Systems, Information and Information systems of the CATHSSETA and to create an environment of common sense and appropriate business practice with respect to the use of the CATHSSETA's communication systems, information and information technology and systems.
- Ensure precautions are taken to safeguard all the systems and data within the organisation's functional requirements and make it impossible to prohibit all access to it.
- Ensure that employees take the necessary precautions to ensure that the integrity, confidentiality and availability of all data, systems and equipment is not compromised or abused.

During the financial year under review this department encountered a number of challenges outlined below:

Users not making full use of the proper reporting structure, e.g. the use of Logit to log any technical issues so as to evaluate the effectiveness of the department in call response time.

- IT tender process taking too long to appoint the new service provider.

However the department has also had a number of key milestones including:

- Replacement of old hardware in terms of PCs, laptops and switches that were failing and reducing effectiveness and productivity with newer and faster hardware.
- Phased out old Microsoft Office software and Mincrosoft Windows operating systems and replaced with newest application MS 2013 and Windows 8 Pro for all users.
- Connecting the newly opened regional satellite offices in Kwa Zulu Natal namely Nongoma and Mnambithi the CATHSSETA domain and networking to the servers has increased accessibility.
- Installed new printers that can handle bulk printing including a colour printer that binds documents as you print i.e. Board Packs.



**2013/2014 CHAMBER ALIGNED
EVENTS**



NELSON MANDELA DAY 2013

Siyabonga High School, Braamfischerville, Soweto



RECORDS MANAGEMENT DEPARTMENT

The Records Management Department is responsible for managing CATHSSETA's records in a well structured record keeping system and to put the necessary policies and procedures in place to ensure that its record keeping and records management practises comply with the requirements of Section 13 of the National Archives and Records services of South African Act of 1996.

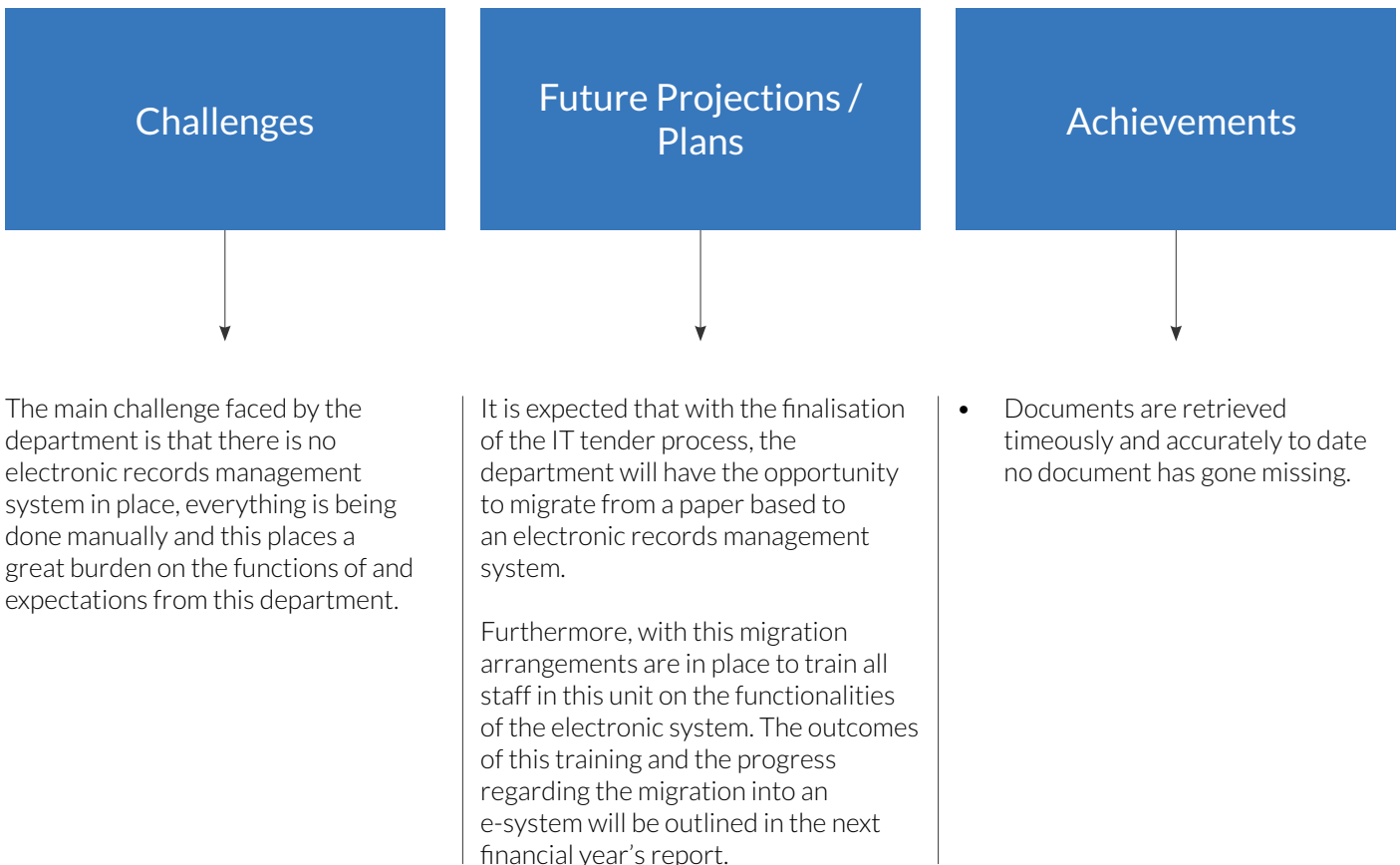
During the financial year under review the department staff complement comprised of:

- Records Management Supervisor
- Records Clerk

All of the above positions report to the Business Analyst areas of responsibilities

The scope of responsibility for this department include:

- Storing and filing of all CATHSSETA records according to the established organisational filing system which is colour coded by department
- Timeous and accurate retrieval of filed and archived documents when requested.
- Offsite archiving of documents.



The Communications and Marketing Department is responsible for drafting departmental strategies, communication policies and procedures, implementing adherence to the organisation's brand identity and coming up with messages that enforce the SETA's mandate through the various marketing campaigns.

During the 2013/14 financial year the operations of this department were outlined in the CATHSSETA's 2013/14 Annual Performance Plan under programme 4. The goal was for the department to:

- Submit the CATHSSETA 2012/13 Annual Report (AR), Annual Performance Plan (APP), Strategic Plan (SP) and Sector Skills Plan (SSP) to Parliament, National Treasury and Auditor General of South Africa as outlined in the Financial year end procedures from Treasury.
- Conduct a 32 sector relevant and chamber aligned events to promote the brand visibility and reach of CATHSSETA within its sectors.

“The SETA's mandate is enforced through various marketing campaigns”

Staff complement:

From inception until the end of the second quarter of this financial year, the Communications Department comprised of the following positions

- Communications Manager
- Communications Officer
- Graphic Designer
- Events Coordinator
- Communications Administrator and
- Receptionist and call centre agent
- Call Centre Agent

However, when the recommendations of the OD exercise were implemented in December 2013 the career guidance and expos team responsible for fulfilling programme 16 of the APP were incorporated into the Communications department following the dissolution on the PMO department.

This means that the staff complement from this department now comprises of the above positions as well as

- Project Manager
- Project Coordinator
- Project Administrator

All of the afore mentioned positions report directly to the Communications Manager with the exception of the Receptionist, Call Centre Agent, Project Coordinator and Project Administrator who report to the Communications Officer and Project Manager respectively.

A detailed report on the organisational performance under programme 16 is contained on page 117 of this report under performance information part B.

During the financial year under review, the department was involved with the following events:

NATIONAL ARTS FESTIVAL WORKSHOPS

The Arts, Culture and Heritage chamber supported by the Communications Department hosted two workshops at the 2013 National Arts Festival (NAF) in Grahamstown. The workshop targeted art practitioners and was intended to orientate this sector and its stakeholders about CATHSSETA, the existing accredited qualifications as well as some of the scarce and critical skills needing urgent intervention from the creative industries sectors as well as training and skills development entities like CATHSSETA. These workshops were conducted on 2nd and 3rd July and each day's session attracted close to 50 delegates.

CATHSSETA conducted two radio interviews on Grahamstown radio on the 2nd and 3rd of July to promote the workshops. The observations made during these sessions are that the workshops were well received.

The workshops, were organised by the SDPR represented by the Arts, Culture and Heritage Chamber manager and the coordinator who were responsible for compiling the content and making presentations during the workshops.

as well as the Communications Department represented by the departmental manager, communications officer and the events coordinator who managed PR, branding and venue strike.

“Successfully participated in the 2013 National Arts Festival in Grahamstown”

MANDELA DAY CAREERS EXPO

CATHSSETA participated in the DHET initiated career festival in QwaQwa to commemorate Mandela Day. This event is organised annually by DHET and is hosted in a different province every year. The SETA had an exhibition stand where close to 7000 learners came to learn about SETA services and sectors.

CATHSSETA further provided goodie bags for the event ambassadors consisting of long sleeve golf shirts and bags. The event was attended by the career guidance and events management project unit as well as the Communications Officer who covered the event.

The SETA also donated computers to Siyabonga High School in Braamfischerville, Soweto.

The School is located in an impoverished part of Soweto but continues to produce excellent results.

“Computers donated to Siyabonga High School”

CATHSSETA in partnership with the Office of the Presidency hosted a Learnership graduation ceremony for 26 employees from the President's private residence in Pretoria who had completed a hospitality learnership as per the request received from the presidency in 2012 for the staff members to be trained in professional hospitality services. This was the first of two graduation ceremonies for this Learnership, held in Cape Town for 27 learners during October 2013.

The Pretoria event was attended by the President of South Africa, the Minister of Higher Education and Training as well as the chairperson of the CATHSSETA board along with other CATHSSETA board members, executive and senior management. Whilst the Cape Town graduation was attended by the Deputy President of South Africa, Kgalema Motlante, the Deputy Minister of Higher Education, Mduzuzi Manana and the CEO of CATHSSETA, Mike Tsotetsi.

Due to the sensitive nature and the closeness of the graduates to the President's private household, no external media was allowed to the event for security reasons. As such this event was not covered on any mainstream media despite having sent out a general media release.

“Employees from the President's private residence successfully completed a 12 month hospitality services learnership”

FITNESS CONVENTION

The Sports, Recreation and Fitness (SRF) chamber has a recurring partnership with the Sport Science Institute to participate in the annual Fitness convention which was held at the Sandton Convention Centre on 15- 17 August 2013.

CATHSSETA hosted a workshop for close to 200 delegates from its stand and the majority of those who attended were the various delegates sponsored by CATHSSETA to attend the entire convention. The Communications Department was responsible for coordinating and confirming stand bookings, designs, branding and inviting guests.

LEISURE AND RECREATION ASSOCIATION OF SOUTH AFRICA (LARASA)

The SRF chamber partnered with LARASA for a leisure and recreation conference which was attended by close to 250 delegates. The conference was held on 15-19 September at the Sun Coast casino in Durban. CATHSSETA's bursary funded students studying for sports and recreation qualifications presented their research papers during the conference.

The event was attended by the SRF Coordinator and he was joined on the last day by the Communications Manager who had to address the event on behalf of the CEO. The Communications Department was responsible for branding and coordinating CATHSSETA's role at this event.

“Close to 10 000 learners attended the NTCE at the East London ICC”

NATIONAL TOURISM CAREERS EXPO (NTCE)

CATHSSETA is one of three organising partners of the NTCE. The NTCE is a career expo, which took place on 19-21 September; as such the Communications Department supported the projects deliverables outlining CATHSSETA's involvement as set out by the PMO team responsible for careers exhibitions and expos.

The SETA had an exhibition stand and also participated in a number of Educator workshops. Several interviews were held including on Rhodes FM and Umhlobo Wenene to outline the objectives of the expo and CATHSSETA's involvement with it. CATHSSETA's representatives to the 2013 NTCE included the members of the board, CEO, COO, PMO and Communications Officer.

CLUB MANAGEMENT ASSOCIATION OF SOUTH AFRICA (CMASA)

The SFR chamber partners with CMASA to host a club managers conference annually. This year's event was held at the Randpark gold club from 30 September to 04 October. CATHSSETA addressed the conference and presented on the Grant Regulations and Professional, Vocational, Technical and Academic Learning (PIVOTAL) programmes grant allocation.

Close to 100 delegates attended the event including various clubs. As a partner of the event the opening was done by the CATHSSETA CEO and the event was closed by an address by the SRF chamber chairperson.

SOWETO FESTIVAL AND EXPO

CATHSSETA participated in the SOWETO Festival and Expo which was held on 19-21 September at the Nasrec Expo Centre. The SETA supported SMMEs within its sector who showcased their products at the expo and will undergo training to help them better manage their businesses.

The event received coverage on E-TV and several media releases talking to CATHSSETA's involvement were covered on Jozi FM, where the CEO was also interviewed a few days prior to the event.

GLOBAL COACHES CONFERENCE

CATHSSETA participated in the Global Coaches conference that was organised by South African Sports Confederation and Olympic Committee (SASCOC) from 11-13 September in uMhlanga Durban. The conference was attended by close to 400 local and international coaches. CATHSSETA addressed the conference during the plenary session as well as at the gala dinner.

CATHSSETA had been closely involved with the development of the coaching framework which was also discussed at length during this conference. The SETA delegation included two board members, CEO and senior management. The event was also covered on Super Sport Blitz and an interview with CATHSSETA's CEO was conducted by Super Sport.

TSHWANE UNIVERSITY OF TECHNOLOGY (TUT) MoU SIGNING

The MoU between CATHSSETA and the Tshwane University of Technology (TUT) was officially signed on Friday, 15 November at the TUT Pretoria West Campus. This occasion was as a result of the two parties forming a partnership that would ensure that the goal of building and offering South Africans an equal opportunity to prosper in the economy was realised. CATHSSETA was represented by the CEO and also signed the MoU, along with the chamber managers and stakeholder relations manager.

The Communications Department was involved with the preparation and co-hosting of the event with the Tshwane University of Technology.

“Successful partnerships established with Institutions of Higher Learning”

YEAR OF THE ARTISAN PROGRAMME LAUNCH

The last of the launches commemorating the Year of the Artisans took place at the Northern Cape Rural FET College in Kathu on 26 November 2013. CATHSSETA took part in this event in partnership with the Department of Higher Education and Training as well as AgriSETA.

The Deputy Minister of Higher Education and Training, Mduzuzi Manana attended the event and emphasized the importance of the Seven Steps to becoming a Qualified Artisan. These steps were re-enacted through a live simulation which took place on the college grounds as well as at the employer's premises.

The CATHSSETA Outreach bus provided the stage for step two of the simulation which required deals with Fundamental Theory, which is taught at public FET colleges and lays the foundation for students wanting to progress into an engineering career.

It includes, in particular, mathematics, engineering science, and engineering drawing subjects. The mobile classroom provided a good platform for a lesson in computer literacy which was conducted by one of the college educators during the simulation.

The Communications Department's role with regards to this event, pertained to event logistics and overseeing the support that CATHSSETA had provided towards the day's activities which included decor, videography and Information, Education and Communication (IEC) material. This event is aligned to Programme 3 in the APP.

SOUTH AFRICAN FOOTBALL ASSOCIATION (SAFA) GRADUATION

On 09 December 2013, CATHSSETA in partnership with the South African Football Association (SAFA) hosted a graduation ceremony in honour of 21 candidates who completed a certificate in the Further Education and Training in Sports Administration.

CATHSSETA also announced an initiative aimed at up-skilling 20 employed coaches and officials employed by SAFA with computer literacy. The beneficiaries will be capacitated with End User Computing, Level 4, this initiative will conclude in the next financial year. The graduation ceremony is aligned to Programme 11 in the APP.

Other events supported include:

- The Comrades Marathon
- The Spirit of Comrades Awards
- Mzansi Cycle Tour
- Learnership graduation ceremonies
- Launches of the Work Integrated Learning

Weekly Notice

During the financial year under review the department also introduced an electronic weekly notice, circulated to all CATHSSETA staff and is also posted on the website for general public to read on developments within the organisation. Plans are underway to also re-launch the quarterly newsletter in electronic format.

Website

The CATHSSETA website was revamped and the upgraded site was launched in April 2013. Amongst some of the improvements made on the site are the following:

- Incorporation of the CATHSSETA's research portal (which can be accessed once the user registers on the site).
- Board portal which is for the sole use of CATHSSETA board members to access their board packs and other vital information for their attention.
- Image slider, which is used to promote latest news and is located on the home page of the site for ease of access.
- Online job application system.

This is synchronised to the website and will be automated to assist candidates with the application process upon submission to the Human Resources department who would be able to receive the application. The system will be fully functional in the next financial year.

The department also introduced the e-mail disclaimer which is customised accordingly when required to help promote and convey critical CATHSSETA information to all stakeholders.

“CATHSSETA website revamped and upgraded to wordpress”

Your tip-off is needed to
get rid of corruption

Don't support it. Report it!

24 Hours a day. 365 Days a year!

0800 007 037

cathsseta@tip-offs.com



HOW ARE YOU SPENDING YOUR 67 MINUTES ON MANDELA DAY?

CATHSSETA is upgrading the IT room at Siyabonga High School in Braamfischer

NELSON MANDELA DAY

YEAR OF ARTISAN LAUNCH

Venue: Northern Cape Rural FET College Kathu Campus

Date: 26 November 2013



www.tourismcareers.co.za

19 - 21 September 2013 | East London International Convention Centre | Eastern Cape



SOCIAL MEDIA PAGES

CATHSSETA has also established its presence in the social media space. Since the establishment of CATHSSETA's twitter handle @CATHSSETA1 at the start of the financial year under review the SETA's following has had a steady growth and currently has over 220 followers. Whilst the facebook page CATHSSETA has also seen a steady growth with over 520 followers during the year under review.

The social media platforms have provided CATHSSETA with a great tool to have live interaction with its stakeholders and this has helped the organisation further spread information about its mandate and the interventions thereof. With the introduction of the Stakeholder Management unit, plans are underway to also establish a CATHSSETA group on LinkedIn in the next financial year.

MARKETING AND PR

CATHSSETA operates in an environment which sees the hosting of the so called "big events", as such the organisation is presented with opportunities to profile its interventions in various public platforms. During the financial year under review, CATHSSETA received the following media coverage:

- 02 April - 01 May 2013 in the Star newspaper and Cycle Nation for Mzansi Tour
- 02 June 2013 on SABC 2 for Comrades Marathon
- 02 and 03 July Grahamstown radio for NAF
- September on Rhodes FM and Umhlobo Wenene for NTCE
- 27 January 2014 CATHSSETA had an interview on SABC1, SHIFT to discuss the Skills Development interventions in South Africa and the employment opportunities for graduates

PHOTOGRAPHY

Images included in the Annual Report were captured by the Communications Officer upon attending various events supported by the organisation. Plans are currently underway to archive these into a year book showcasing achievements by the SETAs through its interventions.

* Mandela Front Cover Image
Source: www.citynews.ca

The National Skills Development Strategy III (NSDS) has prioritised partnerships between employers, public and private education institutions as well as sector education and training authorities (SETAs).

This has prompted CATHSSETA to systematically prioritise stakeholder engagement to have in-depth understanding of its stakeholder pool, which will better enable the organisation to respond proactively to its stakeholder needs.

This has and will continue to be achieved through an ongoing analysis of stakeholders within the CATHSSETA sector and the influence and impact each of these stakeholders have on the organisation's programmes and policies.

In June 2013, CATHSSETA established a Stakeholder Relations Department with the sole objective to:

- Improve stakeholder relations and the formation of strategic partnerships at all levels;
- Interact and partner with stakeholders to address sector needs and CATHSSETA's strategic objectives as outlined in the Strategic Plan and the Annual Performance Plan;
- Form strategic partnerships with other SETAs and public entities to monitor and evaluate all learning interventions within the sub-sectors CATHSSETA conducts its activities in;
- Enhance the experience of stakeholders and customers interacting with CATHSSETA and
- Effectively communicate and promote the work and programmes of CATHSSETA.

The department has already identified a number of institutions in the private and public sectors that CATHSSETA needs to (1) build good working relations with, (2) maintain existing relationships and (3) create opportunities for new relations that will add value to the organisation by increasing its revenue base in terms of the levies it collects.

The Stakeholder Relations department has developed a Stakeholder Relations Strategic Framework, detailing how it will interact and engage with stakeholders at various level comprising of employer spectrum, labour, learners, the Department of Higher Education and Basic Education, Non-Governmental Organisation, Co-operatives, SMME's and any other stakeholder relevant to the business of CATHSSETA.

This framework outlines the organisation's approach to its stakeholder management and engagement accompanied by a detailed Implementation Plan outlining the proposed action plan that will help to implement and achieve CATHSSETA's strategic objectives.

This will be done simultaneously with preliminary consultation phase and in-depth analysis of stakeholder needs followed by a broad and in-depth Stakeholder Relations Strategy and a methodology that will define the approach to be adopted.

The framework is in response to various National Government priorities such as the:

1. New Growth Path which has identified tourism and the cultural industries as key economic sectors with the potential of creating an estimate of over 250 000 jobs by 2020, by improving training and identifying employment and entrepreneurial opportunities for the youth, and
2. The Industrial Policy Action Plan (IPAP 2013/2014-2015/16 which is largely informed by the National Development Plan (NDP) emphasises on the need to enhance competitiveness across all sectors of the economy by expanding the skills base of the labour force and those requiring to join the labour market.

The department aims to ensure that stakeholders have confidence in CATHSSETA as a skills development authority within the sub-sectors it operates in. CATHSSETA as a skills authority needs to ensure that the supply of skills meet labour market demands and respond to the above mentioned National Government priorities.

A series of stakeholder consultation workshops are planned for the new financial year and a detailed report on the progress in relation to this department's objectives will be outlined during the forthcoming fiscal year.

“Stakeholder Relations strategic framework developed”

CATHSSETA's Quality Assurance Department continued to implement the old SAQA system whilst processes are still continuing to partner with the Quality Council for Trades and Occupations (QCTO) and the implementation of the new Quality Assurance. To this end, the department has hosted road shows detailing the QCTO system and also discussing with providers what should happen and looking at possibilities in terms of qualification development and how these will affect training and education within CATHSSETA's sector.

QCTO intends working through a qualification development partner (QDP) and an assessment quality partner (AQP) to facilitate the training of learners at vocational and occupational level. Below is a summary of how the QCTO is intended to function once it is implemented:

Qualification development

The development of an occupational qualification and curriculum involves different phases:

- Evaluate, clarify and process the application
- Obtain agreement on stakeholder involvement and curriculum scope
- Identify and capacitate a Learners Qualifications Development Facilitator (LQDF)
- Project planning and development time frames
- Development activities
- Verification processes and activities
- Editorial and quality checking
- Finalisation and sign off

There are three levels of engagements in the QCTO occupational qualifications development project

First Level

A full body of industry representatives who participate through meetings and emails

Second Level

Industry representatives from the various companies and constituencies that are a part of CATHSSETA stakeholders as well as other SETAs. These representatives are referred to as Communities of Expert Practitioners for the identified occupation to be developed

Third Level

Practitioners, training providers and FET Colleges providing training in the specific field. These representatives assist with the actual development of the occupational curriculum, qualification and assessment specifications

“Maintained the green status for National Learner Records database”

Any organisation with sufficient capacity (expertise on curriculum development, subject matter expertise and financial capacity) can apply to QCTO for consideration as a QDP.

Once appointed they will sign a Service Level Agreement (SLA) with QCTO to perform the following functions:

- Appoint a Qualifications Development Facilitator (QDF) to facilitate the development of occupational qualification/s;
 - Coordinate the design, development and/or revision of specified occupational
 - Standards and qualifications and/or part qualifications according to the QCTO.
 - The above will follow the procedure outlined below:
1. Deliver to the QCTO the following documents
 2. Occupational qualification document.
 3. Curriculum document, including recommended criteria for the accreditation of skills development providers.
 4. External assessment specifications document
 5. Qualification development process report
 6. Report to the QCTO on the performance of its functions in the SLA; and
 7. Collaborate with QCTO on the evaluation of this process.

Assessments

Any party (organisation) that wishes to be appointed by QCTO as an assessment quality partner (AQP) will have to be recommended by the relevant community expert practitioner (CEP). This must happen at qualification development process. In addition the AQP will need to meet the following criteria:

Conduct external, summative assessments

- develop, maintain and apply a national data-bank of instruments for external assessment;
- develop and publish exemplars of external assessments;
- coordinate and manage external assessment processes;
- Provide for RPL assessment to enable learners to achieve full or part recognition for one or more of the curriculum components and where full recognition is given then enable the learners to access the final summative assessment.
- Recognise part qualifications towards the achievement of one or more of the curriculum components.

Accreditation of assessment sites

- develop criteria for the accreditation of assessment centres or the approval of assessment sites
- recommend to the QCTO assessment centres for registration;
- make recommendations to the QCTO on the withdrawal of accreditation of an assessment centre;

Providers:

Recommend to the QCTO the accreditation of skills development providers for the knowledge and/or practical skills component using criteria and guidelines provided by the QCTO;

- verify that SETA workplace approval systems meet the standards set in the workplace experience curriculum component against the criteria and guidelines provided by the QCTO

Assessors & moderators:

- promote continuous professional development of AQP associated practitioners
- moderate at least 10% of learner assessments
- have access to assessors and other human resources necessary to perform
- the AQP functions using criteria and guidelines provided by the QCTO
- have access to a reliable information management system in the format required by the QCTO;

The QCTO will be responsible for accrediting assessment centres. Whilst CATHSSETA worked with QCTO to develop the new system for implementation, the QA also continued to operate under the current SAQA ETQA regulations 1127 of 1998 for the qualifications the organisation currently offers.

To this end, readers are reminded that the functions of a SETA QA are:

- Accredit providers,
- Register assessors and moderators,
- Evaluate programmes aligned to the National Qualifications Framework
- Monitor and audit providers
- Certificate learners
- Maintain a database
- Facilitate standard setting and qualification scoping

Below are highlights of the department's key achievements during the financial year under review

- Maintained our GREEN status with NLRD which is the highest status which can be achieved.
- One of three SETA QA departments to attain a score of 100% for loading and as per the league tables.
- Printed just under 9 000 certificates in the financial year period.
- Hosted very successful and informative road shows which were attended by SAQA
- We continued to review and develop four qualifications under the QCTO model.
- The department's manager was invited to presented at the International Coaches Conference and spoke of RPL and standards

SMME Graduations in Dannhauser, KwaZulu-Natal

Green Status Maintained

The major highlight of the department for the year under review is the fact that CATHSSETA continued to be rated GREEN by the National Learner Records Database (NLRD) for uploading data on training providers and learners enrolling for and achieving qualifications registered on the National Qualifications Framework (NQF).

The NLRD operates on the basis that ETQA'S upload learner information on a bi-annual basis. Uploads are done in January and August every year.

Two results are measured with the first being the ability to upload correctly and this is referred to as the Compliance League Table and if all is in order the QA is awarded Green status; which is the highest measure and there are four possible rankings.

The second measure is for actual performance and is a measure of the qualification uptake by learners against the number of qualifications registered on the NQF for that ETQA.

As stated earlier CATHSSETA is one of three SETA ETQA's which attained a score of 100% on the ranking table.

Certification

In the year under review around 9 000 certificates were issued. Whilst skills programmes remained popular, there were a few full qualification certificates.

The Western Cape surpassed Gauteng on the number of certificates issued; the QA attributes this to pro-active providers within the Western Cape Province.

Below are details of the certificates printed during the financial year. The popularity of learnerships is evident with the numbers printed.



Certification by Learning Programme as at 31 March 2014

Learning Program Name	NQF Level	Number of Certificates
Adventure site guide	4	5
Adventure Site Guide - Pro Paddling	4	1
Adventure Site Guide Mountaineering	3	13
Assistant Chef	2	637
Assistant Housekeeper	2	351
Bar Attendant	2	54
Cleaner	2	20
Cook - Convenience Foods	2	109
Cook- Fast Foods	2	13
Cultural Site Guide	4	241
Cultural Site Guide	2	785
Customer Service Programme	4	333
Customer Service Programme	5	1217
Dangerous Game Site Guide	2	30
Dangerous Game Site Guide	4	16
Field Ranger (Armed or Unarmed)	2	2
Front of House - Porter	2	2
Front of House - Receptionist	2	175
Further Education and Training Certificate: Tourist Guiding	4	564
Further Education and Training Certificate: Event Support	4	11
Further Education and Training Certificate: Hospitality Reception	4	27
Further Education and Training Certificate: Sport Administration	4	65
Kitchen Cleaner	2	34
National Certificate in Coaching Science	5	7
National Certificate in Sport, Recreation and Fitness Leadership	4	1
National Certificate: Accommodation Services	2	35
National Certificate: Fast Food Services	3	176
National Certificate: Fitness	5	79
National Certificate: Food and Beverage Services	4	110
National Certificate: Gaming Operations	3	43
National Certificate: General Travel	5	13
National Certificate: Hospitality Reception	4	6
National Certificate: Music	5	7
National Certificate: Nature Conservation: Resource Guardianship	2	178
National Certificate: Professional Cookery	4	145
National Certificate: Sport Management	5	4
National Certificate: Tourism: Guiding	2	479
National Diploma: Accommodation Services	5	1
National Diploma: Club Professional Golfing	5	45

Learning Program Name	NQF Level	Number of Certificates
National Diploma: Coaching Science	5	36
National Diploma: Fitness	5	74
National Diploma: Food and Beverage Management	5	26
National Diploma: Professional Cookery	5	82
National Diploma: Retail Travel	5	11
Nature Site Guide	2	259
Nature Site Guide	2	1044
Nature Site Guide	4	27
Room Attendant	2	27
Sub Total		7620

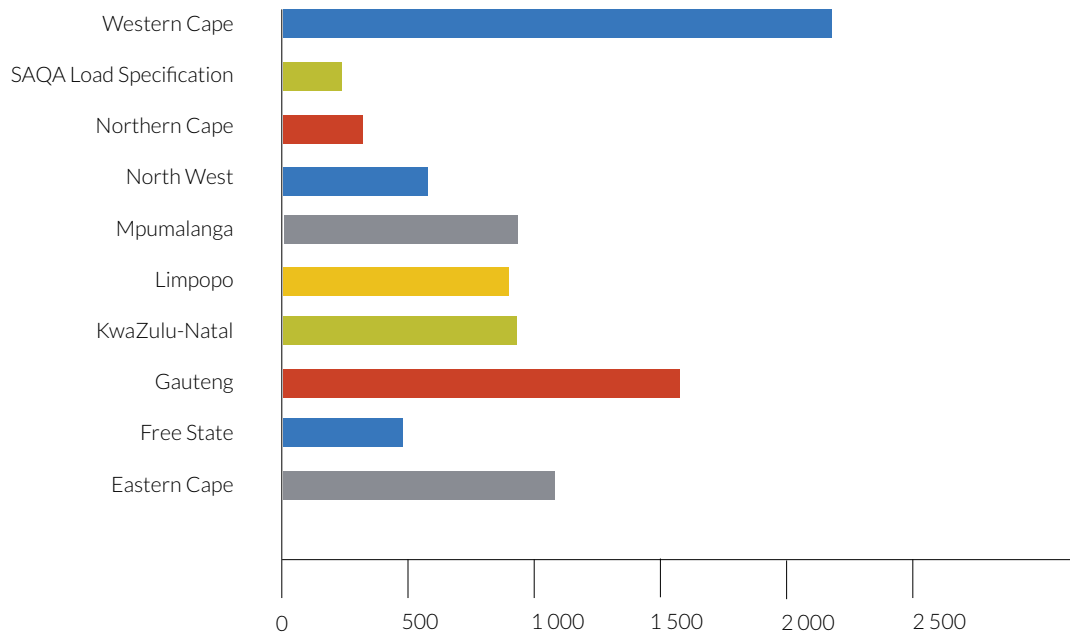
Skills Programme	NQF Level	Number of Certificates
Casino Dealer	3	53
Conservation General Assistant	2	358
Field Ranger Law Enforcement (Armed or Unarmed)	2	208
Field Ranger: Protected Area (Armed or Unarmed)	2	288
Senior Field Ranger	2	48
Table Attendant	2	406
Sub Total		1361

Province	Number of Certificates
Eastern Cape	1026
Free State	412
Gauteng	1508
KwaZulu-Natal	970
Limpopo	878
Mpumalanga	970
North West	513
Northern Cape	275
SAQA Load Specification *	197
Western Cape	2232
Total	8981

* refers to outside South Africa, within South Africa but province not specified and undefined

CERTIFICATES PER PROVINCE

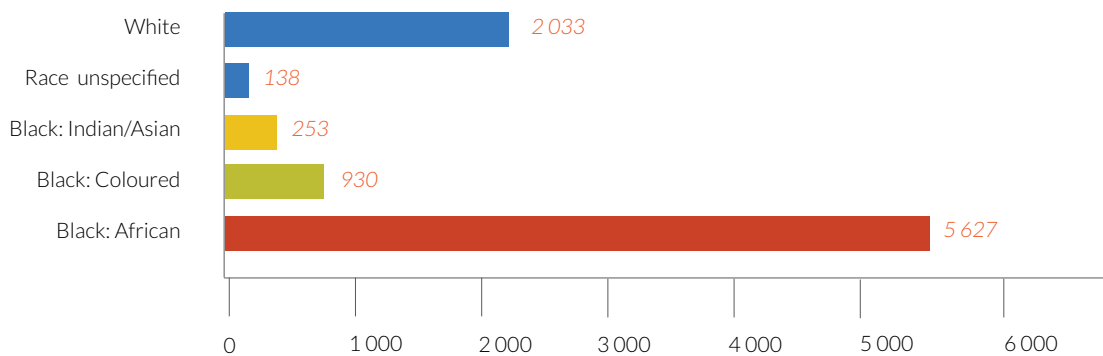
This graph is a comparison of the certificates issued per province as outlined on the table in the previous page.



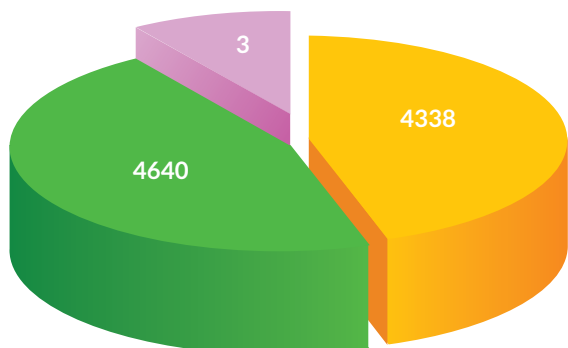
Learner Equity	Number of Certificates
Black: African	5627
Black: Coloured	930
Black: Indian/Asian	253
Race unspecified	138
White	2033
Grand Total	8981

LEARNER EQUITY

The below graph is a comparison of the equity details of the learners who received certificates during this year.



Learner Gender	Number of Certificates
Female	4 640
Male	4 338
Gender unspecified	3
Grand Total	8 981



ACCREDITATION AND ACCREDITED TRAINING PROVIDERS

The QA department continued to assist training providers to become accredited and also supported already accredited providers to extend and improve capacity to ensure quality delivery of training programmes for the benefit of our sectors.

The accredited provider base increased by 13 providers and this is significant given the downturn in the economy and also the move to utilise public institutions in delivering SETA programmes. A total of 10 training providers whose initial accreditation expired, were also re-accredited

Assessor and Moderator Registrations

Below are statistics for assessors, moderators registered and programmes evaluated for the year under review:

Programmes evaluated	
Received:	282
Full approval:	46
Remediation required:	242

Assessors registered	
New:	216
Reregistered:	107
Ext of scope:	73

Moderators registered	
New:	50
Reregistered:	60



SKILLS, DEVELOPMENT, PLANNING AND RESEARCH (SDPR) DEPARTMENT

The SDPR Department is responsible for the following units:

- Research Unit
- Levies & Grants

including the following chambers:

- Arts, Culture and Heritage
- Tourism
- Hospitality
- Conservation
- Sport, Recreation and Fitness
- Gaming and Lotteries

This segment of the report outlines the activities carried out by each of the aforementioned units.

The CATHSSETA Research Unit was established to address Goal 1 of the National Skills Development Strategy (NSDS) III, which is to set up a credible mechanism for skills planning. The core function of the unit is to uplift the research and skills planning activities of CATHSSETA so that they may directly contribute to the establishment of a reliable institutional mechanism for skills planning for both the SETA's economic sector and country.

The Research Unit plays an integral role in gathering statistics and other relevant information on the labour market skills needs and training provision. Such information is essential in the planning process aimed at meeting the country's skills needs and guiding investment in education and training interventions.

The Research Unit is further responsible for producing the Strategic Plan (SP), Annual Performance Plan (APP) and Sector Skills Plan (SSP) as well all research studies, establishing research partnerships, coordinating research conferences and all other skills development and planning activities.

At the start of the financial year under review, The Research Unit was headed up by the Research and Sector Skills Planning Manager aided by a research analyst and research administrator.

The unit manager left the organisation during the last quarter of the year under review. However; as was reported in the previous financial year, the unit's capacity has been expanded to include Research Project Manager, Performance Information Coordinator and a Research Project Administrator.

The Unit is currently in the process of appointing a Research Project Specialist to expand capacity.

Strategic Plan and Annual Performance Plan



The CATHSSETA Strategic and Annual Performance Plans have undergone extensive restructuring during the period under review. These changes effected in line with the National Treasury format were accordingly been submitted to the Department of Higher Education and Training for tabling in Parliament.

Sector Skills Plan



The Sector Skills Plan (SSP) is the key research output of both CATHSSETA and its Research Unit. The SSP is largely viewed as the "SETA bible" against which all projects and interventions are benchmarked to ensure alignment to industry skills needs.

Furthermore, the SSP assists in outlining the scarce and critical skills list in the CATHSSETA sector and this list is prioritised in the scoping of projects on an ongoing basis. The SSP is also the foundation upon which the SP and APP are developed and this document is submitted along with the APP as annexure A of the SETA's documents that are tabled in parliament annually.

Research Strategy

The Research strategy has been developed in line with the CATHSSETA Strategic Plan and Research policy and is aimed at supporting the overall objectives of the organisational strategy. The priorities of the CATHSSETA Research agenda are:

- Labour market analysis
- Economic contribution assessment
- Scarce skills forecasting
- Research partnerships with Higher Education Institutions
- ETQA research (including Curriculum Review, Piloting of Occupational Qualifications, Impact assessment of CATHSSETA learning programmes and RPL)
- Career pathing and OFO update
- Impact of HIV/AIDS on the sector
- International benchmarking
- Support of sector related Undergraduate and Post Graduates Students (including bursaries, publication and presentation of research papers at conferences)

During the financial under review CATHSSETA initiated a multitude of projects, including international partnerships, aimed at not only enhancing the skills intelligence of the SETA's sector, but also promoting research collaboration in advancing the research agenda of CATHSSETA. The following summaries provide a brief description of the research projects undertaken by the Research Unit.

Rural Fisheries Project

CATHSSETA has partnered with the Rural Fisheries Programme at the Department of Ichthyology & Fisheries Science at Rhodes University to unlock the tourism potential of the Eastern Cape by understanding the cultural heritage of marine resource utilisation.

The CATHSSETA partnership with Rhodes University was aimed at developing the rural economy, with a secondary benefit of data collection for the Culture and Heritage sub-sector of CATHSSETA. This partnership has further presented the organisation with the opportunity to study the cultural heritage of the Eastern Cape which resulted in the development and implementation of a training intervention and resource booklet which is utilised as a resource for both tourism and economic development in the area.

A final report has been produced and CATHSSETA will be further engaging with the University for a forward regarding the identification of opportunities for local economic development for the members of this community and determine how this may be replicated in the other coastal provinces.

Sports Events and Tourism Exchange (SETE) Sports Tourism Research

CATHSSETA partnered with Thebe Exhibitions and Projects Group and the University of Pretoria to conduct labour market analysis of the Sports Tourism industry in South Africa with the aim of producing a sector profile, determining demand and supply issues.

The partnership was further aimed at determining the skills requirements of the industry including an analysis of the education and training provided to employees. The South African Sports Tourism industry has been benchmarked against three other countries namely Australia, Brazil and Scotland in order to assess how competitive the South African Sports Tourism sector is and further conduct a comparative analysis of government policy and qualifications.

The outcomes of this research project were presented at the Sport Events and Tourism Exchange (SETE) Conference that was held from 22 to 24 October 2013 in Durban and can also be viewed on CATHSSETA's research portal accessible through the SETA's website.

South African Jockey Labour Market Analysis

The Research Unit through a Memorandum of Understanding (MoU) signed with the South African Jockey Academy, is conducting labour market analysis of South African jockeys in the horse racing industry to document the profile of jockeys, examine the factors determining the demand and supply of jockeys and also to determine the skills requirements of jockeys including an analysis of the education and training provided to jockeys.

This labour market analysis of South African jockeys will directly address both the CATHSSETA research agenda, but more specifically the Ministerial Priority mandated by the Minister of Higher Education and Training to thoroughly investigate the skills development and transformation requirements of the horseracing industry which has been identified as a potential job creator, particularly in rural areas.

Stakeholder Consultations

In order to improve the reliability and validity of its labour market analysis and research findings, the research unit conducted a series of stakeholder consultations. The first of these were conducted in conjunction with the Department of Sport and Recreation (SRSA) during July 2013.

These consultations took place in the form of focus group discussions with Sports Stakeholders in all nine provinces and some of the interventions that were adopted in these focus groups included PESTEL (Political, Economical, Social, Technological, Environmental, Legal) analysis and skills planning exercises. Similar focus group discussions will be held regularly with stakeholders in the next financial year.

South African Thoroughbred Horseracing Breeding Skills Audit

Another MoU signed with the School of Management Excellence to conduct skills audit of the Thoroughbred Horseracing Breeding industry and document the profile of industry, examine the factors determining the demand and supply, and also the skills requirements of the industry including an analysis of the education and training provided to employees.

This skills audit of the Thoroughbred Horseracing Breeding industry is another Ministerial Priority mandated by the Minister of Higher Education and Training. The outcomes of this research will be available in the next financial year and it is expected that the results of this audit will provide a thorough investigation into the skills development and more specifically the transformation requirements of the horseracing industry.

Career pathing and Organising Framework of Occupation (OFO) Update

A pilot study has been conducted with the environmental sub-sector and involved the participation of key stakeholders such as the Department of Environmental Affairs, GreenMatter, SANParks, Eastern Cape Parks and the Wildlife and Environmental Society of Southern Africa.

This pilot study has already produced a list of occupations to be updated on the OFO and the career pathing document is still being finalised. Once completed, this methodology will be replicated in the other 5 CATHSSETA sub-sectors to ensure that the organisation is able to submit the required reports and documentations to DHET for inclusion in OFO version 2014, which will be released in the next financial year.

HIV/AIDS Impact

Preliminary research and analysis of the impact of HIV/AIDS on the sector through the use of data from the South African Actuarial Society was conducted. The analysis has included the CATHSSETA SSP and will be expanded upon through the Research Partnership with the Tourism Research in Economic Environs and Society (TREES) unit of the North West University and will be comprehensively reported on in the next financial year.

Post Graduate Research Partnerships

Partnerships with public South African Universities have been entered into by means of MoUs, which outline both research collaboration and research grants. Post graduate students from the identified universities have received research grants to carry out research in areas pertaining to skills development and training and broader topics relevant to the CATHSSETA sector. The following partnerships with South African Universities have either been concluded or are planned to be finalised shortly:

Rhodes University

CATHSSETA have partnered with the Environmental Learning and Research Centre (ELRC) of Rhodes University to offer bursaries to 3 PhD and 4 Masters students conducting research in the following key research areas

- Career paths and occupations in and around the biodiversity sector in South Africa.
- Mechanisms to improve work-integrated learning for biodiversity related skills.
- Success factors in teacher professional development for the environment sector in South Africa Matching supply and demand for biodiversity related skills in South Africa.
- Counting Green Jobs - Labour market analysis for the biodiversity sector.

Choosing Green

Survey of study and career choices made by undergraduate students in the Life Sciences at a selection of South African universities and

- Analysis of Higher Education Management Information System (HEMIS) data with case examples to explain trends relevant to the biodiversity sector.

Plans for a symposium will be held at the university in the next financial year and the focus will centre on the latest theoretical frameworks in the environmental sector as well as showcase the latest research programmes and projects.



**2013/2014 CHAMBER ALIGNED
EVENTS**

University of Zululand

CATHSSETA has further partnered with the Department of Recreation and Tourism of the University of Zululand to offer bursaries to 4 PhD and 3 Masters students conducting Research in the following key research areas

- Analysis of existing career paths, occupations and qualification pathways in the Tourism and Recreation sector in SA.
- Mechanisms to improve work-integrated learning for tourism and recreation related skills success factors in FET Lecturer and High School Teacher professional development for the Tourism and Recreation sector in South Africa.
- Matching supply and demand for tourism and recreation related skills in South Africa.
- Counting tourism and recreation jobs - labour market analysis for the tourism and recreation sector.
- Choosing tourism and recreation as a career.

The above topics are to be used as a survey of career choices made by postgraduate and undergraduate students in the travel, tourism and recreation at a selection of SA universities to determine if they were employed in Travel, Tourism and Recreation and if not analyse the factors and reasons for this.

Furthermore, conduct an analysis of HEMIS and Further Education and Training Management Information System (FETMIS) data with case examples to explain throughput and trends relevant to the Tourism and Recreation sector.

In addition to the bursaries awarded to the PhD and Masters students, CATHSSETA has awarded a research grant to the Department of Recreation and Tourism of University of Zululand to establish a Curriculum Advisory Board comprising of key stakeholders from both industry, organised labour and government to revise and improve the curriculum of the Tourism and Hospitality related qualifications offered at the University. A detailed report on the outcomes of this structure will be reported on in the next financial year.

Post-Graduate Development Programme

Through its MoU with the Department of Sport and Recreation, CATHSSETA and SRSA launched the Sport, Recreation and Fitness Post-Graduate Development Programme. The aim of the PDP is to provide 7 PhD and 13 Masters bursaries to students conducting either high level or new research that contributes to the CATHSSETA research agenda, SSP and/ or the National Sport and Recreation Plan of the Department of Sport and Recreation.

North West University – Through the signing of a MoU with the North West University, CATHSSETA intends to establish a Research Partnership with the Tourism Research in Economic Environments and Society (TREES) unit. The TREES is a specialised unit focusing on the economic and societal impact created through the tourism and related sectors.

The proposed research partnership will include both PhD and Masters bursaries as well as a research grant for the TREES unit to conduct research into two main areas that fall into their specialisation namely; a detailed assessment of the economic contribution of the Tourism and related sectors to the South African economy and to expand on the HIV/AIDS impact research conducted by the research unit.

This partnership is expected to be concluded in the next financial year and an update of the two research areas will also be reported on thereafter.

University of KwaZulu-Natal

The Research Unit is investigating a possible research partnership with the University of KwaZulu-Natal to form a research partnership to capitalise on the significant work done by the university in terms of Indigenous African Knowledge Systems (IAKS) which has been a research priority of the University since 2009 as part of the institutional vision 'to be a Premier University of African Scholarship' and promoting Africa-led globalisation, UKZN has identified IAKS as a strategic focus area for research, teaching and community engagement.

Taking into consideration the holistic and multi-disciplinary nature of IAKS, the scope of research undertaken in the field is comprehensive. Researchers are engaged in collaborative research work locally, nationally and internationally in areas of:

1. Indigenous African Agriculture and Food Security,
2. Traditional African Medicine,
3. Indigenous African Approaches to Conflict Management and Transformation, (iv) Traditional African Leadership and Governance Systems,
4. Indigenous Knowledge Systems and Creative/Cultural Industries and
5. Indigenous African Languages.

Future research partnerships with South African tertiary institutions including possible international partnerships to investigate the following:

- Indigenous knowledge systems
- Developments in the hospitality industry
- International student exchange programme in tourism and hospitality
- University of Johannesburg and/or Tshwane University of Technology

The Research Unit together with the Hospitality Chamber Co-ordinator are exploring possible research partnerships through a MoU with either or both of these universities in terms of the hospitality sub-sector.

Both universities have excellent hospitality faculties with the University of Johannesburg housing the Sol Kerzner School of Hospitality and the Tshwane University of Technology housing its excellent School of Hospitality Management.

International Research Partnerships

The formation of possible research partnerships with the Hong Kong Polytechnic University and the Guilin Tourism Institute through the signing of MoUs are being finalised. The MoU with the School of Hotel & Tourism Management of the Hong Kong Polytechnic University will examine research collaborations; international student exchange programmes with South African Universities; Higher Degree Programmes where CATHSSETA could consider sending students to study Executive Master, Doctor of Hotel & Tourism Management, and PhD programmes on either a fee-paying or bursary basis; Executive Development Programmes for training executives in the hotel and tourism industry, which could be conducted either in South Africa or Hong Kong and curriculum review.

The MoU with the Guilin Tourism Institute will possibly contribute to the ongoing FET College curriculum review between CATHSSETA and Umalusi and also facilitate an international student exchange programme between the Institute and South African FET Colleges offering the National Certificate Vocational (NCV) Hospitality, which would allow South African students to become exposed to Chinese cuisine and hospitality which would equip them to cater for Chinese tourists visiting South Africa and vice versa for Chinese students.

The number of Chinese tourists to South Africa continues to grow exponentially and such an exchange programme will make the FET College graduates highly employable in the sector.

Both of these partnerships will assist CATHSSETA to address the Ministerial Priority of forming international partnerships to improve the quality of training provision given to all SETAs when their Strategic Plans were signed off by the Minister of Higher Education and Training.



SDF Workshops

The unit further assisted with conducting workshops targeting both Skills Development Facilitators (SDFs) and members of the training committees. The Training Committee workshop comprised a detailed presentation outlining the new SETA Grant Regulations which became effective at the start of the financial year under review and their implications on the manner in which Mandatory and Discretionary Grants are disbursed.

The Mandatory Grant Planning and Reports, that SDFs and Training Committees compile and submit annually, are one of the primary data sources for labour market analysis and skills planning in the sector.

The unit therefore played an active role in facilitating these workshops ensuring SDFs and Training Committees were aware of CATHSSETA's expectations in terms of the data they submitted and the need to improve the quality of the data submitted.

The presentations and SDF Handbook included information regarding NSDS III (particularly on Goal I), National Skills Accord and new SETA Grant Funding Regulations.

“A total of 17 SDF workshops held nationally”

Research Portal

The CATHSSETA Research Portal has been developed and is functional. The portal is intended to provide stakeholders and students with access to relevant research and data when required and can be accessed through the CATHSSETA website.

Due to the constant nature in which research is conducted, the portal is updated on a regular basis. The future plans are to update the portal monthly and place reporting structures to ensure that all relevant stakeholders are updated on research developments within the SETA's sectors.

Tourism Educators of South Africa Conference

The Tourism Educators of South Africa (TESA) Conference directly contributes to Goal 2, Output 4.2.4.1 of the National Skills Development Strategy (NSDS) III which requires that relevant research and development capacity be expanded.

CATHSSETA supports the activities of this conference which creates an enabling environment for the identification of potential focal areas for research, innovation and development within the tourism sector. Students currently pursuing their bachelors, masters and PhD studies are provided with an opportunity to present their research to peers.

The papers presented and information shared and discussed at this conference serves as a source of relevant data for current and future input into the SSP and further contributes to research in both the tourism and hospitality sub-sectors.

Provincial Sector Skills Plan Projects/ Skills Audit

The Provincial Sector Skills Plan (PSSP) Project is a project designed to produce a Sector Skills Plan (SSP) for the six sub-sectors of CATHSSETA in each of the nine provinces. Preliminary work on the development of each province's PSSPs started in the year under review.

The PSSP aims to facilitate sector skills planning at a provincial level and improve the quality of the SSP. As labour market information for the sub-sectors will now be collected per province, the information will assist in validating the information captured at a national level for the SSP.

The PSSP covers the sector profile, the demand for skills, supply of skills and scarce and critical skills. During the financial year under review, four provinces participated namely the Eastern Cape, Gauteng, Northern Cape and Western Cape, below is an update on progress thus far.

GAUTENG PSSP

has already produced a preliminary report which has been accepted and signed off by its development partner, the Gauteng Tourism Authority (GTA). The report highlights areas and gaps within skills development in the province and areas for further development and proposes various remedial steps to address these.

The Research Unit and GTA will be meeting in the second quarter of the next financial year to finalise the further development of the GPSSP. It must be noted that the GTA have contributed R300 000.00 to the development of the GPSSP.

EASTERN CAPE PSSP

the analysis is concluded however the preliminary report is being finalised and will be submitted to its development partner, the Eastern Cape Department of Economic Development, Tourism and Environmental Affairs in the second quarter of the next financial year for adoption and sign off.

NORTHERN CAPE PSSP

significant groundwork has been made in preparation for the implementation of the Northern Cape PSSP (NCPSSP). However; a major stumbling block is that the Northern Cape Department of Economic Development and tourism has not yet finalised its MoU with CATHSSETA as there were amendments being sought. Consultations are still underway and it is expected that the MoU will be finalised in the next financial year.

WESTERN CAPE PSSP

the Western Cape Department of Economic Development and Tourism has played a huge role in ensuring the WCPSSP is being developed successfully. WESGRO, the Western Cape Destination Marketing, Investment and Trade Promotion Agency, have agreed to conduct an online and email survey to compile the sector profile of the WCPSSP and CATHSSETA is compiling Memorandum of Agreement with WESGRO to conclude this.

The Learning Cape Initiative of the Department has also agreed to conduct some of the research requirements of the WCPSSP and has submitted a proposal to CATHSSETA and the Department. all the outstanding processes are expected to be concluded in the next financial year in order to resume with the compilation of the PSSP.

LEVIES AND GRANTS UNIT

The core function of this unit is to facilitate the implementation of levies and grants in all CATHSSETA's sub-sectors.

The key objective of the department for the current financial year were to:

- Review and update the Mandatory Grants application form.
- Update and maintain the Mandatory Grants application form on the SETA Management System (SMS).
- Support Skills Development Facilitators (SDFs) in the process of completing the MGA Forms.
- Review and update the SDFs Guideline document and provide capacity building.
- Maintain communication with SDFs and the sector at large on the submission requirements of the Mandatory Grants.
- Facilitate change of SETA jurisdiction and registration of new levy payers;

- Maintain a database of levy payers, non-levy payers, government departments paying and not paying 85% administration fee:
- These objectives were achieved by the SDPR Executive Manager supported by the coordinators in line with the National Skills Development Strategy.

From this number a total of 1336 WSPs and ATRs were submitted, including linked organisations.

WSP and ATR Submissions

The total WSPs and ATRs submitted (including linked organisations) for the 2013/14 period was 1336. The breakdown of WSP and ATR submissions per and size of organisation is as follows

Status Org	Small 0 - 49	Large 150+	Medium 50 - 149	Grand Total
Approved	303	499	272	1074
Not Approved	68	32	30	130
Grand Total	371	531	302	1204

WSP and ATR Evaluation status

A total of 1074 (including linked organisations) were Approved. A total of 130 not approved due to incomplete submission e.g. unauthorized WSP and lack of proof of training.

Status Row Labels	Small 0 - 49	Medium 50 - 149	Large 150+	Grand Total
Approved	303	272	499	1074
Not Approved	68	30	32	130
Grand Total	371	324	531	1204

WSP/ATR SUBMISSION	NUMBER RECEIVED	NUMBER ANTICIPATED	Increase / Decrease
June 2012	1306	1431	125 decrease
June 2013	1204	1368	164 decrease

The PMO department was set up to provide support to the SDPR and QA departments, particularly by ensuring that the goals set in the organisation's approved APP and SP are realised through the implementation of chamber aligned projects; which are categorised according to a set of programmes defining the overall goals of CATHSSETA.

Furthermore, as indicated in the former narratives of this report, this department was dissolved at the end of the third quarter in line with the recommendations of the OD exercise.

Following the dissolution of this department and the integration of the staff into existing departments within the organisation, the responsibility of managing and implementing the objectives of what PMO was established for, is now the responsibility of the SDPR department.

This segment of the annual report is based on audited information for the financial year under review and must be read in conjunction with the performance information outlined on Part B page 99 of this report.

Projects Implementation

CATHSSETA projects are driven by chamber strategies aligned to the government's development agenda such as National Skills Development Strategies (NSDS) III and National Growth Path to mention a few. The scoping of projects within CATHSSETA's chambers takes into consideration the provincial spread, demographic and the transformational and developmental imperatives as outlined in the NSDS III.

GAUTENG PROVINCE

During the financial year under review seven projects comprising of skills programmes, bursary grants, work integrated learning, learnerships and skills development support were implemented in this province. Below is a narrative for each of these interventions.

UNEMPLOYED SKILLS PROGRAMMES

AFCON PROGRAMME

This project aimed at providing 331 volunteers with Introduction to Customer Service NQF level 4 during the AFCON 2013 tournament hosted by the City of Johannesburg. A total of 323 volunteers were certified as competent on Introduction to customer service, the remaining 8 volunteers were declared not competent.

Unit standards for the programme amongst others included customer service and related diversity to customer service. This project was initiated in the previous financial year and completed in April of the financial year under review. In summary, this intervention supported 43% females and 57% males.

BURSARY GRANT PROGRAMME

CATHSSETA has identified and is utilising the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project

Institution	Number of learners
Tshwane University of Technology	25 learners
Pretoria University	3 learners
Johannesburg University	3 learners
Tshwane North FET college	1 learner
Ekurhuleni West FET college	8 learners

A total of 40 learners have been afforded bursaries to study sector related qualifications in the year under review. A total of 70% black females, 20% black males and 10% white females have been awarded bursaries.

SKILLS DEVELOPMENT SUPPORT

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. 100 SMMEs from the City of Johannesburg, Ekurhuleni Metro and West Rand Municipalities were recruited and enrolled on Introduction to customer service NQF level 4 and Advanced Customer Service NQF level 5.

Unit standards for the programme amongst others included; Customer Service, Relating Diversity to Customer Service and Improve Customer Service. This project was initiated in the previous financial year and completed in December of the financial year under review. All 100 SMME who participated in this project have been declared competent and have been certified.

WORK INTEGRATED LEARNING

The Work Integrated Learning Programme's objective is to offer learners in Universities, University of Technology and FET Colleges the opportunity to gain workplace training in order to complete their qualifications or gain workplace experience.

This process is done such that learners are placed with host employers, and development plans are put in place to ensure alignment of their studies to practical application under the supervision of mentors. The Work Integrated Learning (WIL) is facilitated through internships or work experience interventions.

In the previous financial year 59 graduates were placed at African Cup of Nation, Athletics South Africa, Booyesen Hotel, Duma Travel, South African Sports Confederation & Olympic Committee and Tushiyah Advisory services of which 19 completed the programme during the financial year under review.

During the financial year under review a further 168 learners were hosted for period of between 6 to 12 months at Tsogo Sun Monte Casino, Duma Travel, Emperors Palace, Kloofzicht Lodge, Radisson Blu Gautrain and Tourvest Travel, some were hosted for the AFCON. This project will be completed in the next financial year.

This initiative has supported 168 unemployed learners with 75.4% Black females and 24.6% Black males.

LEARNERSHIP PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA FUNDED LEARNERSHIPS

A Learnership project was approved to support 172 employed and 60 unemployed learners with the objective of addressing skills gaps in the various CATHSSETA sectors.

During the year under review 247 unemployed and 162 employed individuals were enrolled for Learnerships in NC Fast Food Services; FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme. This project was initiated in the financial year under review and is expected to conclude in March of the next financial year.

SECTOR FUNDED LEARNERSHIPS

CATHSSETA has encouraged its industries to implement self-funded learnerships to further accommodate the much needed skills development interventions. A total of 192 employed and 372 unemployed learners were entered in 2013/2014 Learnership programmes.

These comprised of Gaming Operations, Generic Management, General Travel, Fast Food Services, Professional Cookery, Fitness Level 5, Food & Beverage, Business Administration Tourism Guiding Level 2, NC Conservation Level 2, NC Accommodation, Live Event Technical and Production Sport Administration. Only 259 unemployed and 106 employed learners have successfully completed the programme.

This initiative has supported an overall of 70% black females, 20% black males, 5% white females and 5% white males of which 19 of the learners are people with disabilities.

WESTERN CAPE PROVINCE

During the financial year under review four projects comprising of workplace experiential learning programmes and skills development support were implemented in this province.

Below is a narrative for each of these interventions

BURSARY GRANT PROGRAMME

CATHSSETA has identified and is utilising the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project.

Institution	Number of learners
Cape Town University	2
Western Cape University	1
Cape Peninsula University of Technology	48
College of Cape Town	1

A total of 52 learners have been afforded bursaries to study sector related qualifications of which 70% are black females, 20% black males and 10% white females.

SKILLS DEVELOPMENT SUPPORT

SMME'S CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. 57 SMMEs from the City of Cape Town, Eden District, Overberg District and West Coast District Municipalities were recruited and enrolled. The unit standards covered for the programme amongst others included customer service, relating diversity to customer service and improving customer service.

This project was initiated in the previous financial year and completed in December of the financial year under review. All 57 SMMEs have been declared competent and have been certified.

WORK INTEGRATED LEARNING

In the previous financial year 59 learners were placed for a period of three months at Iziko South African Museum, Rockwell Hotel Suites, Thompsons Holiday, Avis Rent-A-Car, Tsebo J&B Met, Tsebo Ajax, Thompsons Africa and The Resonance Bazaar of which five (5) completed and the remaining 54 learners are continuing with the programme.

During the financial year under review 45 unemployed learners were hosted for period of six (6) months at Plattner Golf, MZ Entertainment and AFCON LOC. This project will be completed in the following financial year.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review. This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA Funded Learnerships

A Learnership project was approved to support 166 employed and 55 unemployed learners with the objective of addressing skills gaps in the various CATHSSETA sectors. During the year under review 131 unemployed and 70 employed individuals were enrolled for various Learnerships including NC Food & Beverage.

The learners are enrolled in NC Fast Food Services; FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others project was initiated in the financial year under review and is expected to conclude in March of the next financial year.

Sector funded Learnerships

CATHSSETA has encouraged its industries to implement self-funded learnerships in an effort to expand the skills development interventions offered.

Through this intervention 130 employed and 13 unemployed learners were entered in 2013/2014 Hospitality Learnership programmes.

Out of 143 learners, 134 are currently on the programme and 9 learners have successfully completed the programme during this current financial year.

NORTHERN CAPE PROVINCE

During the financial year under review three projects comprising of skills development initiative were implemented in this province. Below is a narrative of these interventions

SMME'S CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. A total of 36 SMMEs from Sol Plaatjie and John Taolo Municipalities were recruited and enrolled.

The unit standards covered as part of this programme amongst others included customer service, relating diversity to customer service and improving customer service. This project was initiated in the previous financial year and completed in December of the financial year under review. All 36 SMMEs have been declared competent and have been certified.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA Funded Learnerships

A Learnership project was approved to support 166 employed and 55 unemployed learners with the objective of addressing skills gaps within the CATHSSETA sectors.

During the year under review 22 unemployed learners were enrolled in NC Fast Food Services, FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others.

This project is expected to conclude in March of the next financial year.

Bursary Programmes

CATHSSETA has identified and is utilising the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates.

Partnerships with the following universities were established for purposes of this project.

Institution	Number of learners
Northern Cape Rural FET college	5

WORK INTEGRATED LEARNING

In the year under review, no learner was placed in the Northern Cape however two (2) learners from the Northern Cape were placed at the AFCON LOC in Cape Town.

Two (2) black females benefited from this initiative.

NORTH WEST PROVINCE

During the financial year under review four projects comprising of unemployed skills programmes and skills development support were implemented in this province. Below is a narrative for each of these interventions.

SKILLS DEVELOPMENT SUPPORT

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. 97 SMME's from Bojanala District Municipality were recruited and enrolled.

The unit standards for the programme covered amongst others customer service, relating diversity to customer service and improving customer service.

This project was initiated in the previous financial year and completed in December of the current financial year. All 97 SMMEs have been declared competent and have been certified.

UNEMPLOYED SKILLS PROGRAMMES

AFCON PROGRAMME

This project aimed at providing 311 volunteers with Introduction to Customer Service NQF level 4 during the North West leg of AFCON 2013 tournament.

A total of 275 volunteers were certified on Introduction to customer service, 36 volunteers enrolled in this programme were declared incompetent at the end of the project.

The unit standards for the programme covered amongst others customer service and relating diversity to customer service.

This project was initiated in the previous financial year and completed in April of the financial year under review. Through this intervention an overall of 58% females and 42% males were supported.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA FUNDED LEARNERSHIPS

A Learnership project was approved to support 166 employed and 55 unemployed learners with the objective of addressing skills gaps in the CATHSSETA sectors.

During the financial year under review a number of 49 unemployed and 25 employed people were enrolled in various Learnership programmes including NC Fast Food Services; FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others. This project is expected to conclude in March of the next financial year.

SECTOR FUNDED LEARNERSHIPS

CATHSSETA has encouraged industry to implement self funded Learnership in its sectors. A total of 32 employed and 2 unemployed learners were entered in 2013/2014 Learnership programmes such as Chef Learnership programme.

The 34 learners are currently on the programme and are expected to complete in the next financial year.

Bursary Programmes

CATHSSETA has identified and is utilizing the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project.

Institution	Number of learners
North West University	13

WORK INTERGRATED LEARNING

In the previous financial year 59 learners were placed for a period of 12 months at Mankwe Wildlife Reserve, Du Toit Wildtelers, Rooibokspruit, Protea Hotel Mafeking, Bonang Conference Centre, Tidimalo Integrated Communications and Projects of which five (5) completed and the remaining 54 learners are continuing with the programme. In the year under review 25 learners were placed for a period of six (6) months at Camelot Lodge, Institute Hotel Management and Kwa Kgatleng Guest Lodge.

This project will be completed in the following financial year.

FREE STATE PROVINCE

During the financial year under review four projects comprising of customer service development were implemented in this province. Below is a narrative of these interventions.

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

This project aimed at providing 311 volunteers with Introduction to Customer Service NQF level 4 during the North West leg of AFCON 2013 tournament.

A total of 275 volunteers were certified on Introduction to customer service, 36 volunteers enrolled in this programme were declared incompetent at the end of the project.

The unit standards for the programme covered amongst others, customer service and relating diversity to customer service.

This project was initiated in the previous financial year and completed in April of the financial year under review. Through this intervention an overall of 58% females and 42% males were supported.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA Funded Learnerships

A Learnership project was approved to support 166 employed and 55 unemployed learners with the objective of addressing skills gaps in the sector. During the year under review 30 unemployed and 10 employed people were enrolled on various learnerships programmes. The learners are enrolled in NC Fast Food Services, FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others.

This project is planned to complete in March of the next financial year. Sector funded Learnerships CATHSSETA has encouraged industry to implement self-funded Learnerships in its sectors. In this province 2 employed and 4 unemployed learners were entered in 2013/2014 Learnership programmes such as FETC in Generic Management. The (6) six learners are currently on the programme and are expected to complete in the next financial year.

WORK INTEGRATED LEARNING

During the financial year under review 146 learners were hosted for period of between six to twelve months respectively at Bartimea School, Bonolo Guest House, Desli Manor, Eufees Lodge, Frontier Inn Casino, Golden Gate, Jezzreal Group, Kloof Lodge, Motheo FET College; Phillip Sanders, Protea Hotel, Thrifty Car Rental, Welkom Inn, Windmill Casino and AFCON.

This project will be completed in the next financial year.

Bursary Programmes

CATHSSETA has identified and is utilising the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project.

Institution	Number of learners
Free State University	15
Central University of Technology	22

Through this project 37 learners have been afforded bursaries to study sector related qualifications in the year under review of these are 43% black females, 29% black males, 10% white males and 18% white females.

MPUMALANGA PROVINCE

During the financial year under review four projects comprising of unemployed skills programme and skills development initiative were implemented in this province. Below is a narrative of these interventions.

AFCON PROGRAMME

This project aimed at providing 357 volunteers with Introduction to Customer Service NQF level 4 during the Mpumalanga leg of AFCON 2013 tournament.

Only 351 volunteers were certified on Introduction to customer service, whilst the remaining 6 volunteers were declared incompetent. The unit standards for the programme covered amongst others customer service and relating diversity to customer service.

This intervention supported an overall of 63% females and 37% males.

WORK INTEGRATED LEARNING

During the previous financial year 38 learners were placed for a period of three months at Mpumalanga Tourism Parks Association, Mpumalanga Tourism Parks Agency, Belle Done, La Villa Vita and Comair Limited of which eleven completed the programme.

Whilst 22 learners were placed for internships with employers like South African National Parks, Forever Resort, Hollywood Sportsbook, ASV Tours, Glowing Sunset, South African Big Sky Travel and RR Travel. This initiative benefited 66.6% black females and 33.33% black males. Lastly, during the financial year under review five learners were hosted for period of twelve months at Emnotweni Casino.

This project will be completed in the next financial year.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA Funded Learnerships

A Learnership project was approved to support 166 employed and 55 unemployed learners with the objective of addressing skills gaps in the sector. During the financial year under review 6 unemployed and 33 employed learners were enrolled in NC Fast Food Services; FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others.

This project is expected to conclude in March of the next financial year.

Sector funded Learnerships

CATHSSETA has encouraged industry to implement self-funded Learnership within its sectors. In this province 3 employed and 6 unemployed learners were entered in 2013/2014 Learnership programmes such as FETC in Generic Management.

The 9 learners are currently on the programme and are expected to conclude in the next financial year.

Bursary Programmes

CATHSSETA has identified and is utilising the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project

Institution	Number of learners
Free State University	15
Central University of Technology	22

Of these students seven (7) are black females and two black males.

SKILLS DEVELOPMENT INITIATIVES

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers.

160 SMMEs from Mbombela Municipality were recruited and enrolled.

The unit standards for the programme covered amongst others customer service, relating diversity to customer service and improving customer service.

This project was initiated in the previous financial year and completed in December of the financial year under review. All 160 SMMEs have been declared competent and were certified.

EASTERN CAPE PROVINCE

During the financial year under review six projects comprising of unemployed skills programme and skills development initiative were implemented in this province. Below is a narrative of these interventions.

UNEMPLOYED SKILLS PROGRAMMES

AFCON PROGRAMME

This project aimed at providing 547 volunteers with Introduction to Customer Service NQF level 4 during the Eastern Cape leg of AFCON 2013 tournament. Only 393 volunteers certified on Introduction to customer service with the remaining 154 declared incompetent.

The unit standards for the programme covered amongst others customer service and relating diversity to customer service. This intervention supported an overall of 59% females and 41% males.

COOPERATIVES

Thirty five Cooperatives were capacitated on Business Administration Level 3 and Craft Enterprise Level 3. Unit standards of this qualification covered marketing, administration and financial management.

This project concluded in August of the financial year under review.

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. 83 SMMEs from Nelson Mandela Bay Metro, OR Tambo district and Cacadu District Municipalities were recruited and enrolled.

The unit standards for the programme covered amongst others customer service, relating diversity to customer service and improving customer service. This project was initiated in the previous financial and completed in December of the financial year under review.

All 83 SMMEs were declared competent and have been certified.

WORK INTEGRATED LEARNING

During the year under review 153 learners were hosted for period of between 6 to 12 months at Bex hotel, Daku Spar, Eastern Cape Gambling and Betting Board, Eastern Cape Tourism and Parks Agency Joe Gqabi District Municipality, Kei Catering, Mnandi Foods t/a Kentucky Lukhanji Leisure t/a Queens Casino, New Brighton Spar, Department of Correctional Services Goedemoed. This project is expected to conclude in the next financial year.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

CATHSSETA Funded Learnerships

A Learnership project was approved to support 20 employed and 30 unemployed learners with the objective of addressing skills gaps in the sector.

During the year under review 30 unemployed and 20 employed people were developed on various learnerships programmes. The learners are enrolled in NC Fast Food Services, FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others.

This project is expected to be completed in March of the next financial year.

Sector funded Learnerships

CATHSSETA has encouraged industry to implement self-funded Learnership in its sectors. In this province 39 unemployed and 37 employed learners were entered in 2013/2014 hospitality learnership programmes.

The 76 learners are currently on the programme and expected to complete in the next financial year.

Bursary Programmes

CATHSSETA has identified and is utilizing the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project.

Institution	Number of learners
Nelson Mandela Metropolitan University	14
Fort Hare University	10
PE FET college	2
Eastern Cape Tourism Agency	6
King Hintsha FET college	8

Through this intervention 40 learners have been afforded bursaries to study sector related qualifications in the year under review. 70% are black females, 20% black males and 10% white females.

KWAZULU NATAL PROVINCE

During the financial year under review five (5) projects comprising of unemployed skills programme and skills development initiative were implemented in this province. Below is a narrative of these interventions.

UNEMPLOYED SKILLS PROGRAMMES

AFCON PROGRAMME

This project aimed at providing 462 volunteers with Introduction to Customer Service NQF level 4 during the KwaZulu-Natal leg of AFCON 2013 tournament.

Only 444 volunteers were certified on Introduction to customer service, the remaining 18 volunteers were declared incompetent.

The unit standards for the programme covered amongst others; customer service relating to customer service.

This project was initiated in the previous financial year and completed in April of the year under review. This intervention supported an overall of 59% females and 41% males.

UNEMPLOYED SKILLS PROGRAMMES

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. A total of 122 SMMEs from Ethekewini, Dannhauser, Amajuba, Ulundi and Msunduzi Municipalities were recruited and enrolled.

The unit standards for the programme covered amongst others customer service, relating diversity to customer service and improving customer service.

This project was initiated in the previous financial year and completed in December of the year under review. All 122 SMMEs were competent and have been certified.

LEARNERSHIPS PROGRAMMES

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the 2013/2014 financial year.

CATHSSETA Funded Learnerships

A Learnership project was approved to support 166 employed and 55 unemployed learners with the objective of addressing skills gaps in the sector.

During the financial year under review, 46 unemployed and 61 employed people were enrolled on various learnerships programmes including NC Fast Food Services, FETC Live Event Technical Production, NC Food & Beverage, SMME Craft Operation Management Learnership programme and Chef Learnership programme amongst others.

This project is expected to conclude in March of the next financial year.

Sector funded Learnerships

CATHSSETA has encouraged industry to implement self-funded learnerships within its sectors. In this province 120 employed and 17 unemployed learners were entered in hospitality learnership programmes.

The 137 learners are currently on the programme and will conclude in the next financial year.

Bursary Programmes

CATHSSETA has identified and is utilising the bursary grant project to channel learners to take up studies for scarce skills within the SETA's sectors in order to enhance the employment opportunities of successful graduates. Partnerships with the following universities were established for purposes of this project.

Institution	Number of learners
Durban University of Technology	3
University of KZN	4
Mthashana FET college	10
Mnambithi FET college	10
University of Zululand	12

From the learners afforded bursaries to study sector related qualifications in the year under review 70% are black females, 20% black males and 10% white females.

LIMPOPO PROVINCE

During the financial year under review three projects comprising of customer service development were implemented in this province. Below is a narrative of these interventions

SKILLS DEVELOPMENT INITIATIVE

SMME CUSTOMER SERVICE DEVELOPMENT PROJECT

The purpose of this project was to equip and capacitate entry to middle level managers and frontline personnel to better respond to customers. A total of 97 SMMEs from Polokwane and Waterberg Municipalities were recruited and enrolled.

The unit standards for the programme covered amongst others are Customer Service, Relating Diversity to Customer Service and Improving Customer Service. This project was initiated in the previous financial year and completed in December of the year under review.

All 97 SMMEs were declared competent and have been certified.

WORK INTEGRATED LEARNING

In the previous financial year, 30 learners were placed for a period of three months at Zanami Lodge, Natures Way Safaris, Fusion Hotel, Polokwane Royal, Reatswelela Travel and Comair Limited of which 25 completed the programme. This initiative has supported an overall of 66% black females and 34% black males.

During the financial year under review, a further 40 learners were hosted for a period of between six to twelve months at Sondela Nature Reserve, Peermont Khoroni, AFCON, and Lapalala Game Reserve and AFCON. This project will be completed in the next financial year.

Learnerships Programmes

This report accounts for learnerships that were CATHSSETA funded and those that were industry funded during the financial year under review.

PRESIDENCY GRADUATION



CHAMBER REPORTS

CATHSSETA has a total of six chambers comprising each of the economic sectors falling within the SETA's scope.

Each chamber has a chamber committee which is made up of the CATHSSETA Board members, industry experts and government representatives.

The role of these chamber committees is to render advise, give information that will help with strategic plans and industry trends and developments which in turn is used to inform the type of projects each chamber scope in response to the skills needs of the particular industry.

This report outlines the activities of each of the following chambers during the financial year under review:

- Arts, Culture and Heritage
- Tourism, Travel and Guiding
- Hospitality
- Sport, Recreation and Fitness
- Conservation
- Gaming and Lotteries



ARTS, CULTURE AND HERITAGE CHAMBER

During the financial year under review this chamber scoped a number of projects to respond to the skills needs as identified through the chamber committee. Below is the narrative for each of these projects as well as a summary of chamber committee meetings attended.

KHWATTU SAN CULTURE AND EDUCATION CENTRE

This project was scoped with the aim of capacitating 13 learners in the Western Cape with the following different skills programmes:

- Cultural Site Guide NQF Level 2 skills programme
- Nature Site Guide NQF Level 2 skills programme
- Table Attendant and Bar Attendant NQF Level 2 skills programme
- Arts and Culture Administration NQF Level 4 skills programme
- National Certificate in Generic Management NQF Level 4

CATHSSETA entered into a contract with the Khwattu San Culture and Education Centre and training commenced in May 2013. A total of 12 learners finished their training except for one learner who is still to finalise the Generic Management full qualification and is expected to complete the training in May of the next financial year.

CLANWILLIAM LIVING LANDSCAPE

The programme was scoped to capacitate 30 rock art guides from the Cederberg District in the Western Cape on Cultural Site Guide NQF Level 4 Skills Programme.

The project was a system of nodal points in the landscape around Clanwilliam, where each point in the landscape offered learners an opportunity to learn about the history, rock art, geology, paleontology and botany of the Clanwilliam area.

CATHSSETA entered into a contract with the University of Cape Town Archaeology Department for the implementation of this project.

All learners were placed at Clanwilliam Living Landscape for workplace experience. The project concluded in July 2013 and all learners were found competent and honoured at the graduation ceremony held by the university.

MAKAKATA ARTS INCUBATOR PROGRAMME

This project was scoped as a skills development and Internship/Mentorship Programme designed for 21 unemployed and freelance Higher Education and Training graduates, holding a minimum NQF Level 6 degree or diploma. The aim was to assist these graduates with the transition from study to professional practice, informing the development of viable careers.

Participant interns were professionally mentored through an intensive process of new content development in their particular art form.

The Makakata Arts Incubator included workplace specific programmes and programmes such as those required for Continuing Professional Development to support sustainable business entrepreneurship, enterprise development and innovation for the Creative economy and Knowledge economy.

All 21 Participants completed in August 2013 and presented their outstanding work during a three day Joule City Incubator Public Platform held from 6-9 August 2013. These learners also graduated from the programme with Certificates in Workplace Experiential Learning.

ARTSCAPE THEATRE CENTRE

The project was scoped with the primary aim of affording 35 young people from Wellington and Mbekweni, rural communities outside Cape Town with music literacy skills, performance skills and life- skills that will enable them to access further studies and career opportunities within the music industry.

This project was launched in April 2013 and provided the opportunity for 35 learners to be mentored by a larger pool of musicians who have a better understanding of the industry.

Some of the project milestones are that one of the beneficiaries Zolani Bongo who is a soloist performed at the Youth Jazz Festival and was interviewed at one of South Africa's radio stations "uMhlobo Wenene" where he spoke as an ambassador for the programme. He is now mentored by one of South Africa's renowned jazz musician Melanie Scholtz.

The other milestone is the incorporation of 18 of the beneficiaries into the Wellington Jazz and Orchestra Band. The project was successfully completed and 23 learners declared competent at a certification ceremony held on 24 February 2014.

QUALIFICATION QCTO REVIEW

It was reported in the annual report of the previous financial year that the chamber had prioritised the scoping of qualifications for heritage.

The QCTO made an announcement which was published in the RAPPOR newspaper on 02 February 2014 a moratorium on the development of new qualifications until september 2014.

The emphasis of the announcement highlighted that only applications for the development/review/re-circulation of qualifications replacing the existing SETA qualifications will be accepted. As such the development of the Heritage qualification has been halted pending the lifting of the QCTO moratorium.

Furthermore, the chamber conducted stakeholder consultations with the Live Event Technical Production sector in February 2014 for the following purposes:

- To conduct a needs analysis to identify the skills gaps and/or shortages within this sector and decide how best to close and/or address these shortcomings.
- To analyse the demand for and supply of skills to the sector and from this analysis, to determine the skills needs and the skills development priorities for the sector.
- To ascertain a need for the development and registration of the qualification (Event Producer/ Live Event Technical Production) at NQF Level 5 as proposed by the South African Roadies Association (SARA).

These stakeholder consultations were held in Gauteng and Cape Town as follows:

- 05 February 2014 in Johannesburg (Protea Hotel OR Tambo)
- 12 February 2014 in Cape Town (Southern Sun Cape Town).

The outcomes report from these engagements were shared with all attendees as well as with the QCTO. Further engagements with industry bodies are still underway and progress will be reported in the next financial year.

DISCRETIONARY GRANTS AWARDED

The table below provides a list of all Discretionary Grants awarded coming out of the October 2013 funding window.

Organisation Name	Province	Learning Programme	Total number of allocated	Grant Awarded
Amagugu Association	Mpumalanga	Learnership	10	R350 000
Ghetto Mentality Entertainment	Gauteng	Learnership	10	R300 000
Limpopo Economic Development	Limpopo	Learnership	18	R216 000
Imbali Visual Literacy	Gauteng	Skills Programme	40	R320 000
Isakhono Community Development	Eastern Cape	Skills Programme	10	R80 000
North West Department of Sport, Arts & Culture	North West	Skills Programme	50	R400 000
AFDA	Gauteng	Bursaries	5	R335 000
University of Johannesburg	Gauteng	Bursaries	10	R670 000
Wits University School of the Arts	Gauteng	Bursaries	4	R320 000
AFDA	Gauteng	Internships	15	R630 000
Iziko Museums of South Africa	Cape Town	Internships	7	R294 000
Playhouse Company	Kwazulu Natal	AET	15	R117 190

2. ACTIVITIES AND EVENTS

Northern Cape Provincial Skills Development Forum

The Arts, Culture & Heritage chamber is part of this forum whose aim is to implement the provincial growth and development strategy, strengthen and coordinate all provincial skills development initiatives including monitoring of skills development programmes.

Through appropriate education and training, this forum draws its mandate from the foundations that were previously been put in place through the National Human Resource Development Strategy, National Skills Development Strategy (NSDS) and the Human Resource Development Strategy for the Public Service.

Other meetings conducted and/ or attended by this chamber relate to the chamber committees.

Chamber Committee

The Arts, Culture and Heritage chamber is drawn from committee representation comprising of practitioners and organisations of high standing who provide guidance to the SETA's intervention. The chamber is chaired by Mr. Glen-Ujebe Masokoane who is a board member of CATHSSETA. Below is a summary of chamber committee meetings held during the financial year under review:

CHAMBER COMMITTEE MEETING ATTENDANCE

Chamber Meeting Attendance 2013/14

First Name	Last Name	Organisation	Disability	Equity	20 Jun	29 Aug	26 Feb	Total
Glenn- Ujebe	Masokoane	CATHSSETA Board member (DAC)	None	BM	Yes	Yes	No	2/3
Thanduxolo	Lungile	(SAHRA)	None	BM	Yes	Yes	Yes	3/3
Lindi	Gwala	DAC (KZN)	None	BF	Yes	Yes	No	2/3
Sipho	Mdanda	Freedom Park	None	BM	Yes	No	Yes	2/3
Jerry	Mabuza	GOMACC	None	BM	Yes	Yes	Yes	3/3
Angela	Muspratt-Williams	PANSA	YES	WF	Yes	Yes	Yes	3/3
Joseph	Gaylard	VANSA	None	WM	No	No	No	0/3
Bennet	Mkholo	HOTELICCA	None	BM	Yes	Yes	Yes	3/3
Phyllis	Klotz	Sibikwa Arts Centre		WF	Yes	Yes	No	2/3
Steven	Rankolle	SACCAWU	None	BM	Yes	Yes	Yes	3/3
Peter Fanikie	Mlombo	Siyalapha Arts and Culture	None	BM	Yes	Yes	Yes	3/3
CWUSA	CWUSA	CWUSA	None		No	No	No	0/3
Tony	Mabasa	CATHSSETA	None	BM	Yes	Yes	Yes	3/3
Thando	Hosha	CATHSSETA	None	BF	Yes	Yes	Yes	3/3



TOURISM AND TRAVEL SERVICES CHAMBER

During the financial year under review this chamber scoped a number of projects to respond to the skills needs as identified through the chamber committee. Below is the narrative for each of these projects as well a summary of chamber committee meetings attended.

BURSARIES

The National Department of Tourism (NDT) partnered with CATHSSETA and embarked on a bursary fund programme for 14 learners towards the study of Jewellery Design, in China. All beneficiaries come from preciously disadvantaged backgrounds. The learners completed their training in December 2013.

SPORTS AND EVENTS TOURISM EXCHANGE CONFERENCE (SETE)

This prestigious conference was aimed at positioning South Africa as a destination capable of hosting a major international event. The conference created an excellent platform stimulating debates regarding the strategic importance of skills development within the Sports Tourism industry. In preparation of this conference which took place on 22 to 24 October 2013, the Tourism and Travel Services Chamber placed three (3) learners that were studying towards tourism on a Work Integrated Learning (WIL) programme for a period of three (3) Months.

CATHSSETA partnered with Thebe Exhibitions and Projects Group and the University of Pretoria to conduct a labour market analysis of the Sports Tourism industry in South Africa with the aim of producing a sector profile, determining demand and supply issues and also to determine the skills requirements of the industry including an analysis of the education and training provided to employees. The outcomes of this research project were presented at the SETE Conference.

TOURISM INDABA

CATHSSETA exhibited at the Durban ICC and conducted workshops at the Hilton Hotel, Durban. The workshop was attended by CEOs, HR Managers and training providers in the tourism sector.

The purpose was to create awareness about skills development in the sector and address issues of skills gaps in the sector. The event was held from 11-14 May 2013.

NATIONAL TOURISM CAREER EXPO (NTCE)

The National Tourism Career Expo took place on 19-21 September 2013 at the East London ICC in the Eastern Cape.

The NTCE 2013 attracted and supported a total number of nine thousand eight hundred and fifty four (9 854) expo attendees of which (8107) were learners and the balance comprised of educators, unemployed graduates, VIP and other delegates.

Educators and industry stakeholders were invited to participate in the Tourism Leadership Dialogue and Educators Seminars sessions.

Presentations made were relevant to the curriculum content and educators expressed their gratitude as they saw an opportunity for empowerment in these dialogues.

QUALIFICATION QCTO REVIEW

CATHSSETA and the QCTO held a scoping session aimed at reviewing the NC General Travel qualification and NC Professional Cookery qualification. Industry reviewed and provided high level inputs in the review of this qualification.

The process was initiated in the previous financial year and is still underway and envisaged to be completed towards the end of the next quarter.

Name Of Applicant	Learnerships		Skills Programme		WIL		Bursaries		Internship		Total	
	Learners	Amount	Learners	Amount	Learners	Amount	Learners	Amount	Learners	Amount	Length	Amount
Cape Peninsular University							10	670 000			10	670 000
Cape Town International Convention Centre	10	140 000									10	140 000
College of Cape Town							10	490 000			10	490 000
Concorde Travel Carlson Wagonlit Travel	5	175 000									5	175 000
Cullinan Holdings Limited	5	175 000			12	144 000					17	319 000
Currint Events PTY LTD					1	12 000					1	12 000
Duma Travel PTY LTD	5	175 000			10	120 000					15	295 000
Eastern Cape Parks & Tourism Agency	10	300 000			50	600 000	6	402 000	12	504 000	78	1 806 000
Emirates					2	12 000					2	12 000
EuropCar SA a Division of Imperial Group	3	42 000									3	42 000
False Bay FET College			40	320 000							40	320 000
Highline Travel and Tours			5	40 000							5	40 000
Isakhono Community Development Projects			10	80 000							10	80 000
Limpopo Economic Development Enterprise	18	216 000									18	216 000
Mpumalanga Tourism & Parks Agency	10	300 000									10	300 000
Mthimkhulu Community Development	15	525 000									15	525 000
NAFCOC	20	240 000									20	240 000
Nelson Mandela Metropolitan University							4	320 000			4	320 000
Qwaqwa COOPs			10	80 000							10	80 000
Sondela Nature Reserve	10	350 000									10	350 000
Tourvest Travel Services					10	240 000					10	240 000
Total	111	2 638 000	65	520 000	85	1 128 000	30	1 882 000	12	504 000	303	6 672 000



HOSPITALITY CHAMBER

During the financial year under review this chamber scoped a number of projects to respond to the skills needs as identified through the chamber committee. Below is the narrative for each of these projects as well as a summary of chamber committee meetings attended.

ARTISAN DEVELOPMENT

South Africa's economic development and the increase in infrastructure investment have created a growing demand for trained and qualified artisans. Developments in the professional cookery industry have led to the chef trade being added to the list of trades that are considered artisans. With this in mind, CATHSSETA rolled out various artisan development learnerships throughout the country. A total of 66 employed and unemployed youths were placed on various learnerships, the first one being at Fan Court where 25 employed learners were enrolled on a professional cookery learnership.

There was also another learnership rolled out in the North West in conjunction with the North West Parks and Tourism Board with a total of 30 beneficiaries. Of these 30 beneficiaries 20 were unemployed and 10 employed youths.

There were also a further 16 learners that were placed in the Eastern Cape with Shamwari Hospitality. These learnerships are aimed at offering artisan training to disadvantaged, but talented young people and prepare them for jobs critically required in our growing our economy in particular the hospitality industry. The learnership is currently in progress and it is due to be completed in June of the next financial year.

UPDATE ON WAITER AND BARTENDER TRAINING IN KLEINMOND

This skills programme was rolled out with 30 beneficiaries in the Kleinmond area in the Western. The project has been completed with 27 out of 30 learners having completed. Out of this number 15 of the learners have been placed on a professional cookery learnership in order to assist them improve their chances of employment in the sector and enhance their skills set in the sector.

WAITER AND BARTENDER SKILLS PROGRAMME TRAINING

The hospitality chamber trained a total of 40 unemployed youth from Gauteng on a table and bar tender and waiter skills programme. Training of the 40 learners went well and afforded them the opportunity to get experience working as waiters and bar tenders in a food and beverage establishment. This practical exposure will serve as good grounding for these unemployed youths to get gains a foothold into hospitality sector. The skills programme has been completed and some of the learners have been absorbed by host employers.

OFFICE OF THE PRESIDENCY LEARNERSHIP

The office of the presidency hosted 12 month Learnership programmes ranging from NQF Level 2 to 4. These Learnerships were focused on hospitality, food preparation and accommodation services. The total number of beneficiaries was 49 members of the presidential household staff. Graduation ceremonies were held in Pretoria and Cape Town respectively. These were attended by senior members of the presidency officials from the Department of Higher Education and Training as well as hospitality industry executives.

UPDATE ON HOSPITALITY GRADUATE DEVELOPMENT

The Hospitality Chamber approached various employers in the sector to host 75 graduates for a period of 12 months. The Graduate Placement Programme progressed very well and some of the feedback received from the learners included the fact that this opportunity has allowed them to gain the much needed practical experience and exposure to the inner workings of the industry.

Out of all the learners placed, three (3) have been offered permanent jobs by the respective host employers. A further nine (9) learners dropped out of the programme for reasons ranging from ill health to receiving permanent employment elsewhere.

QUALIFICATION REVIEW FOR A CHEF QUALIFICATION

After a pre-scoping meeting was held in July 2012 it was decided that an application would be made to the Quality Council for Trades and Occupations (QCTO) for CATHSSETA to be recognised as the Development Quality Partner for the development of the Chef occupational curriculum and qualification. A community of expert practitioners was constituted to work with the QCTO to produce the occupational curriculum, qualification and assessment specifications for the chef qualification.

This partnership involves experts from the industry the South African Chefs Association, the Restaurant Association of South Africa, the National Artisan Moderating Body and representatives from both private and public education providers operating in the professional cookery arena. Significant progress has been made in the development of this new three year professional cookery qualification which will culminate in the learners writing a trade test that will result in the learners being certified qualified artisans.

TESA STUDENT CONFERENCE

The Hospitality chamber participated in the 2013 TESA student conference held at the Nelson Mandela Metropolitan University in Eastern Cape from the 3rd to the 4th of October 2013. Funding was provided by the CATHSSETA in order to allow the students an opportunity to present their research papers and give the hospitality chamber an opportunity to interact with researchers and industry stakeholders taking part in the conference.

This conference is held on annual basis with the aim of enhancing quality tourism and hospitality education in South Africa by sharing data, best practices and challenges between all stakeholders as well as to present a collective voice in support of tourism and hospitality education. The theme of the conference was "Exploring the World for Tomorrow" with sub themes such as hospitality management for tomorrow.

Papers ranging from effects and perceptions of guest loyalty and guest loyalty programmes in hotels as well as competency vs curriculum in the hospitality sector were presented at this conference. These papers offered CATHSSETA valuable research inputs that the chamber is able to use in rolling out interventions for the benefit of the sector.

Industry Partnership

The NSDS III emphasises partnerships between SETAs, employers and the public sector. In line with this, the following MoUs have been signed:

- Tshwane University of Technology
- My Pond Hotel
- Tsogo Sun

The above MoUs provided for collaboration in the implementation of projects in the hospitality sector. Some of the notable achievements are Stenden University and Tsogo Sun hosting some of the graduates in the chambers Graduate Development Programme.

Tsogo Sun has employed three (3) of the graduates some from the Tshwane University of Technology on a permanent basis.

CATHSSETA has also further collaborated with Stenden University to roll out a Sommelier training programme for the benefit of 24 unemployed youths from all nine provinces.

In November 2013 a discretionary grant window period was opened that was aimed at addressing scarce and critical skills in the hospitality sector. The following allocations were made for stakeholders operating in the hospitality sector.



Board Member, Sheila Sekitla with Deputy Minister of Tourism, Thokozile Xasa at the 2013 National Tourism Careers Expo (NTCE)

4.1 Work Integrated Learning

Name Of Applicant	Province	WIL	
		Learners	Amount
AMB Solutions	Gauteng	2	24 000
Bonjangles cc	Eastern Cape	2	24 000
Capetonian Hotel	Western Cape	4	48 000
CHC Catering and Hire Centre cc	KwaZulu-Natal	20	240 000
Cidaro Investments cc	Eastern Cape	3	36 000
Cii hotel & resorts Cape Town Pty Ltd	Western Cape	5	60 000
Currint Events PTY LTD	Gauteng	1	12 000
Dumani Makhosokazi CO -Op t/a Nonolo Guest House	Free State	80	960 000
Ethekweni FET College	KwaZulu-Natal	25	300 000
Frontier Inn & Casino hotel	Free State	10	120 000
Four Angle Tour Operator T/A Four Corners Tours		15	180 000
Glenburn Lodge PTY LTD	Gauteng	10	120 000
Goldfields Casino	Free State	51	612 000
Good Hope Palace PTY LTD/ Taj Cape Town	Western Cape	6	72 000
Kloofzicht Lodge	Gauteng	5	60 000
Lion Sands Private Games Reserve	Mpumalanga	1	12 000
Madikwe Safari Lodge	North West	2	24 000
Mandate Meal Management	KwaZulu-Natal	2	24 000
MZ Entertainment S.A (Pty) Ltd	Western Cape	5	60 000
One and Only Cape Town	Western Cape	18	216 000
Park Inn Radisson Blu Cape Town Foreshore	Gauteng	20	240 000
Peermont Global KZN	KwaZulu-Natal	20	240 000
Peermont Global KZN/ Mondazur Hotel & Spa	KwaZulu-Natal	6	72 000
Peermont KZN t/a Umfolozi	KwaZulu-Natal	20	240 000
Peermont t/a Emperors Palace	Gauteng	40	480 000
Peermont Tusk Venda t/a Khoroni	Limpopo	10	120 000
Protea Hotel Kruger Gate	Mpumalanga	3	36 000
Queens Casino & Hotel	ECape	7	84 000
Radisson Blue Gautrain Hotel Sandton	Gauteng	40	480 000
Radisson Blu Port Elizabeth	Eastern Cape	40	480 000
Sumptuos Cateres	KwaZulu-Natal	2	24 000
The Water Club Court Body Corporate T/A Radisson Blu Hotel Cape Town	Western Cape	8	96 000
Townhouse Hotel	Western Cape	9	108 000
Total		492	R 5 904 000.00

A total of 492 beneficiaries have been allocated to the hospitality chamber in order to assist these graduates to complete their qualifications ranging from Accomodation Services to Food and Beverage Management at various FET Colleges around the country.

4.2 Learnerships

Name Of Applicant	Province	Learnerships	
		Learners	Amount
Ayidlimuntu Trading Enterprises CC	Gauteng	5	60 000
Cape Town Environment Education Trust	Western Cape	10	300 000
Cape Town Fish Market Fancisor 1	Western Cape	15	210 000
Cape Town International Convention Centre	Western Cape	10	140 000
Chicken Nandos	KwaZulu-Natal	20	280 000
City Lodge Hotels	Western Cape	10	450 000
FEDICS-A Division of Tsebo Holdings & Operations (pty) Ltd	Gauteng	24	336 000
Frontier Inn & Casino hotel	Free State	25	320 000
Four Angle Tour Operator T/A Four Corners Tours			
Graceland Casino (Southern Highveld)	North West	25	320 000
Hilton International	Gauteng	15	210 000
Mandela Rhodes Place Management Company	Western Cape	2	28 000
Mthimkhulu Community Development	WesternCape	15	525 000
MZ Entertainment S.A (Pty) Ltd	Western Cape	8	108 000
NAFCOC Free State	Free State	20	240 000
Peermont KZN t/a Umfolozi	KZN	10	140 000
Peermont t/a Emperors Palace	Gauteng	40	560 000
Peermont Tusk Venda t/a Khoroni	Limpopo	10	140 000
Pendlebury's Guest Suites & Resorts	KwaZulu-Natal	25	350 000
Premier Hotel Regent	Eastern Cape	10	140 000
Radisson Blue Gautrain Hotel Sandton	Gauteng	20	280 000
Shishangeni Private Lodge	Mpumalanga	6	84 000
Total		325	R 5 221 000.00

A total of 325 beneficiaries have been afforded an opportunity to complete various Learnerships such as Professional Cookery and Food and Beverage Services. This opportunity is in line with the objectives of the chamber which include artisan development.

4.3 Skills programmes

Name Of Applicant	Province	Skills Programme	
		Learners	Amount
Alawill Investments	KwaZulu-Natal	11	88 000
False Bay FET College	Limpopo/MPL	40	320 000
FEDICS-A Division of Tsebo Holdings & Operations (pty) Ltd	GP/NW/MPL/LIMPOPO	118	944 000
Feedem Pitseng PTY(LTD)	National	235	1 880 000
Mandate Meal Management	KwaZulu-Natal	8	64 000
MZ Entertainment S.A (Pty) Ltd	Western Cape	10	80 000
River Hotels - Halyards Hotel	Eastern Cape		
Shishangeni Private Lodge	Mpumalanga	6	48 000
South African Rugby Union (SARU)	National	250	2 000 000
Total		678	R 5 424 000.00

The chamber allocated various skills programmes such as Assistant Chef, Table and Room Attendant to 678 beneficiaries across a wide range of employers for the benefit of both the employed and unemployed youths in the sector

Bursaries

Employers	Province	Learners	Amount
Cape Grace Hotel	Eastern Cape	3	106 000
Cape Peninsular University	Eastern Cape	10	670 000
College of Cape Town	Cape Town	10	490 000
Mnambithi FET College	KwaZulu-Natal	10	490 000
Mthashana FET College	KwaZulu-Natal	10	490 000
Resort Condominiums International	National	1	39 000
Vineyard Hotela and Spa	Cape Town	1	39 000
Total		45	R 2 324 000.00

The chamber has provided 45 learners with an opportunity to study at various FET Colleges, Universities and Universities of technologies in various fields of study aimed addressing scarce and critical skills in the sector.

5. Chamber Committee

Each of the six CATHSSETA chambers has established a chamber committee comprising of industry experts who provide guidance on the SETA's sector interventions. The hospitality chamber is chaired by Mr Brian Magqaza who is a board member of CATHSSETA. Below is a summary of the chamber committee meetings held during the financial year under review.

First Name	Last Name	Disability	Equity	Organisation	22/05/13	25/06/13	21/11/13	11/03/14	Total
Brian	Magqaza	BM	None	CATHSSETA Board	Y	Y	N	Y	3/4
Mothepane	Sesele	BF	None	NDT	Y	Y	Y	Y	4/4
Sipho	MKhwanazi	BM	None	DEDT KZN	Y	N	Y	Y	3/4
Donovan	Muirhead	WM	None	NAA_SA	Y	Y	Y	Y	4/4
Tshidi	Mkhosana	BF	None	FEDHASA	Y	Y	Y	Y	4/4
Graham	Donet	WM	None	SACA	Y	Y	N	Y	3/4
Leela	Reddy	BF	None	HIAWU	Y	Y	Y	Y	4/4
Thulile	Gama	BF	None	HOTELLICA	Y	Y	N	N	2/4
Phillip	Nkosi	BM	None	SACCAWU	Y	N	N	N	1/4
Karen	Borain	WF	None	Tsogo Sun	Y	Y	Y	Y	4/4
Doreen	Februarie	BF	None	Grail CentreTrust	Y	Y	Y	N	3/4
Sharon	Mukhola	BF	None	CATHSSETA	Y	Y	Y	Y	4/4



SPORT, RECREATION AND FITNESS

The primary purpose and functions of the Chamber are to manage Chamber activities, to facilitate and implement sector learning programmes in all provinces through partnerships with relevant stakeholders and provincial coordination.

The activities of the Chamber for the 2013/14 financial year are recorded hereunder. Below is a narrative of all chamber activities and chamber committee meetings held during the financial year under review:

Industry partnership

The NSDS place emphasis on partnerships between SETAs, employers and the public sector. For the period under review the Chamber had the following Memorandum of Understanding (MoUs) in place:

- Sport and Recreation South Africa (SRSA)
- Free State Department of Sport, Arts and Culture
- North West Department of Sport
- South African Sport Confederation and Olympic Committee (SASCOC)
- Sport Science Institute of South Africa (SSISA)
- Virgin Active South Africa

The above MoUs provided for joint collaboration in the implementation of projects in the sport, fitness and recreation.

SOUTH AFRICAN COACHING FRAMEWORK

Within the mandated sectoral responsibilities of the CATHSSETA, the South African Coaching Framework (SACF) is regarded as a priority development and support area for the SRF Chamber.

The SACF as officially launched in November 2011 is therefore regarded as a priority vehicle for sport transformation through training and development interventions.

The CATHSSETA fully supports training and development of coaches in line with the National Skills Development Strategy, its Sector Skills Plan, the addressing of critical and scarce skills and the meeting of regulatory framework requirements.

During the 2013/14 financial year, CATHSSETA supported the FASSMOD project (Facilitators, Assessors and Moderators) through the development of (339) Provincial Capacity Developers (PCDs) in various sports codes as identified by SASCOC.

This project feeds into the school sport project wherein trained PCDs from the various federations will be expected to assist educators in schools.

Linked to the FASSMOD will be the alignment of material for the National Federations and also the implementation of RPL for the 11 000 coaches as identified in the SSP.

THE AFRICAN NATIONS CHAMPIONSHIP

Following the successful hosting of the AFCON in January 2013, South Africa was honoured to host the The African Nations Championship (sometimes referred to as African Championship of Nations or CHAN).

CHAN as administered by Confederation of African Football (CAF) is regarded as a national developmental tournament focusing on promoting and exposing local based players and making them champions hence the tag line "AFRICA'S HOME CHAMPIONS".

This tournament is exclusively for players who apply their trade in their respective home countries. The AFCON and CHAN are the biggest football related project

CATHSSETA has undertaken after the 2010 FIFA World Cup. CATHSSETA invested into CHAN an amount of R417 375.00. The support was in a form of an internship programme where (53) interns completed in February 2014.

The SRF sector has had a challenging but successful year in hosting a number of stakeholder events in which the chamber participated. Highlights include the following:



Once again the chamber participated in the Fitness Summit which was held on 15 to 17 August 2013.

As an associate partner, CATHSSETA played an integral role in ensuring the success of the summit and at the same time contributing to the raising of skills in the sector.

This was done by ensuring that learners in the Fitness Learnership and township gym owners, including instructors get an opportunity to participate in events of such magnitude.

Furthermore; the summit was a platform for a CATHSSETA funded learner studying in Belgium to present her research findings.

In addition, the event provided a credible platform that allows for the sharing of knowledge, peer to peer networking and valuable opportunities for learners to forge contacts and relationships within the sport, recreation and fitness industry.

SPORTS & EVENTS TOURISM EXCHANGE CONFERENCE (SETE)

The CATHSSETA once more partnered with THEBE for The Sports & Events Tourism Exchange Conference which was held on 22 to 24 October 2013 in Durban. The key focus was to encourage collaboration between the Sports and Tourism industries aimed at making South Africa and Africa a competitive Sports Tourism destination. This year CATHSSETA and THEBE appointed the University of Pretoria to conduct research and recommend the types of education and training opportunities for the sports tourism industry.

CATHSSETA also afforded two (2) Sport Management students from the University of Johannesburg to participate in a four months Internship Program with THEBE. These students were exposed to data capturing, bookings, client liaison and events planning. Successful completion of their internship resulted in successful achievement of their qualification.

CMASA SEMINAR

CATHSSETA and Club Management Association of Southern Africa (CMASA) continue to be strong partners in mobilising sport and recreation clubs around the country to contribute to skills development.

CATHSSETA has supported CMASA in hosting the 2013 conference for club managers. The event took place on 30 September to 04 October 2013 at Randpark Golf Club in Johannesburg.

The seminar provided a platform for stakeholders to share their knowledge and expertise. CATHSSETA used the opportunity to discuss policy developments that are crucial in the skills development arena.

LARASA CONGRESS

The Leisure and Recreation Association of South Africa (LARASA) congress is an annual event that brings together stakeholders in the Leisure and Recreation industry. During the 2013/14 financial year, LARASA hosted their 2nd international Congress from 15–19 September 2013 in Durban.

Through this event CATHSSETA was able to identify areas of partnership for skills development in order to meet NSDS III objectives. The SETA also provided an opportunity to three (3) research bursary holders to present their papers in front of an international audience.

MZANSI TOUR

Cycling in South Africa continues to be a growing and popular sport amongst the emergent middle class. Cycling as a sport involves high levels of participation for recreational purposes and also high performance as a recognised Olympic sport.

CATHSSETA identified the Mzansi Tour, which is South Africa's only professional cycling tournament with a UCI rating as a potential mechanism for transforming Cycling from both participation and skills development perspective. The inaugural cycling tour took place from 17 to 21 April 2013. The tour was a great success and the overall winner was Robbie Hunter, a South African cyclist from team Bonitas.

GLOBAL COACHING CONFERENCE

SASCOC with the support of CATHSSETA and other stakeholders hosted the 9th ICCE Global Coaches Conference from 11 to 13 September 2013. The conference under the theme "Building coaching as a blended profession around the Globe" aimed at bringing together coaches, coach developers, researchers and sport scientists as well as policy makers, technical directors and sport administrators to address issues in coaching, to learn about new coaching research and to share experiences with the top coaching development experts in the world.

The event provided a platform for presentations and discussions on innovation, best practices and latest developments in coaching, coach education and coaching development. CATHSSETA's relationship with SASCOC has triggered the participation in the conference in order to enhance the Coaching Framework which CATHSSETA has already greatly contributed towards.

DISCRETIONARY GRANTS PROJECTS

Organisation Name	Province	Learning Programme	Total Number of Allocated	Grant Awarded
Northerns Cricket Union	GP	Skills Programme	10	R160 000
Western Province Cricket Association	WC	Skills Programme	10	R80 000
South African Rugby Union	WC	Skills Programmme	250	R510 000
Strangers Rest Boxing Club	KZN	Skills Programme	10	R80 000
Virgin Active South Africa	WC	Learnership	15	R210 000
Virgin Active South Africa	WC	Skills Programme	25	R200 000
AFCON/CHAN	WC/LP/FS	Internship	53	R417 375
Western Province Rugby	WC	Learnership	10	R350 000
Sport & Recreation SA	GP	Learnership	50	R700 000
Interdisciplinary center of excellence	WC	Bursaries	5	R335 000
Limpopo Department of Sports, Arts and Culture	LP	Bursaries	3	R117 000
Mpumalanga Department of Sports,Arts & Culture	MP	Bursaries	4	R195 000
TOTAL			445	R3 354 375

CHAMBER COMMITTEE

CATHSSETA Constitution makes provision for the establishment of Chamber Committees of which some of the duties and functions include among others to provide expert advice and strategic information to CATHSSETA through the Skills Planning Committee. The Chamber Committee is made up of professionals, practitioners and labour movement in the area of sport, recreation and fitness.

Furthermore, it is through the chamber that skills development issues are discussed in order to assist CATHSSETA in making informed decisions on sector projects allocated from its Discretionary Grant fund. The table below provides a list of the Chamber Committee members and the number of meetings held during the financial year under review:

	First Name	Last Name	Organisation	Disability	Equity	28 May	18 June	27 Aug	26 Nov	Total
1	Thabo	Mahlangu	CATHSSETA Board	None	B/M	Yes	No	Yes	Yes	3/4
2	Makoto	Matlala	SRSA	None	B/M	No	No	Yes	Yes	2/4
3	Mpume	Shongwe		None	B/F	Yes	Yes	Yes	Yes	4/4
4	Edwin	Bennet	SASCOC	None	C/M	No	No	Yes	Yes	2/4
5	Morio	Sanyane	SAFA	None	B/M	Yes	Yes	Yes	Yes	4/4
6	Louis	Fourie	SAGF	None	W/M	Yes	Yes	Yes	Yes	4/4
7	Beryl	Acres	CMASA	None	W/F	Yes	Yes	Yes	Yes	4/4
8	Franciska	Venter	Virgin Active	None	W/F	Yes	Yes	Yes	Yes	4/4
9	Maliga	Naidoo	LARASA	None	C/F	Yes	Yes	No	No	2/4
10	Simphiwe	Valela	SACCAWU	None	B/M	No	Yes	Yes	Yes	3/4
11	Sam	Nyaniso	SARPU	None	C/M	No	Yes	No	Yes	2/4
12	Lafasa	Matutoane	SAFPU	None	B/M	No	No	No	No	0/4
14	Maribe	Mamabolo	CATHSSETA	None	B/M	Yes	Yes	Yes	No	3/4
15	Maureen	Mashabane	CATHSSETA	None	B/F	Yes	yes	Yes	Yes	4/4



CONSERVATION CHAMBER

During the financial year under review this chamber scoped a number of projects to respond to the skills needs as identified through the chamber committee. Below is the narrative for each of these projects as well a summary of chamber committee meetings attended.

CONSERVATION EXPERIENTIAL LEARNING

The programme is scoped to afford learners completing the National Diploma in Nature Conservation and the National Diploma in Game Ranch Management Workplace Experiential Learning opportunities with conservation employers and institutions.

The chamber entered into contracts with Ezemvelo KZN Wildlife and Tshwane University of Technology (TUT) for implementation.

Ten students from TUT studying towards ND: Nature Conservation were placed at The National Zoological Gardens, and another 10 studying towards ND: Game Ranch Management were placed in the following workplaces:

- Mankwe Wildlife Reserve (North West)
- DuToit Wildtelers/Makopa (North West)
- Forever Resorts Badplaas (Mpumalanga)
- Kruger National Park (Mpumalanga)
- Mdala Nature Reserve (Mpumalanga)
- Kwele Game Lodge (Limpopo)
- Authentic African Adventures (Limpopo)
- Motswere Game Ranch (Limpopo)
- Phala Studbreeders (Limpopo)

15 students from Mangosuthu University of Technology studying towards ND: Nature Conservation were placed at Ezemvelo KZN Wildlife. The project was completed in December 2013.

WOMEN AND YOUTH IN CONSERVATION

This project was aimed at providing women and youth in communities surrounding National Parks with an opportunity to study towards National Certificate: Natural Resource Management: Terrestrial at NQF Level 5.

The chamber scoped a project for 50 learners to study towards the 25 learners were placed at Kruger National Park in Mpumalanga and 25 at the Golden Gate National Park in the Free State, South African National Parks (SANParks) and The Free State Department of Economic Development, Tourism and Environmental Affairs.

Learners from the Kruger National Park have completed their Learnership whilst learners from the Golden Gate National Park are currently in the programme due to complete by July of the next financial year.

PROFESSIONAL HUNTING

A total of 15 learners from the North West Province are currently studying towards a professional hunting qualification. The aim of this project is to ensure that qualifying learners take in every aspect of a hunting experience is carried on within the parameters of the law. It focuses strongly on the rejection of unethical hunting practices and promotes awareness of the conservation of the natural environment.

In addition the qualification encompasses learning programmes that has come to be the accepted standard for licensing new professional hunters in the industry.

The Learnership was extended from 12 months to 18 months to ensure that learners receive all the necessary skills, over and above those stipulated in the qualification to ensure they can become successful in the hunting industry. The project will be completed in August of the next financial year.

DISCRETIONARY GRANTS AWARDED

Organisation Name	Province	Learning Programme	Total Number of Allocated	Grant Awarded
Cape Town Environment Education Trust	WC	Learnership	10	R300 000
Ezemvelo KZN wildlife	KZN	Skills Programme	623	R4 984 000
Eastern Cape Parks and Tourism Board	EC	Work Integrated Learning	50	R600 000
The Tony and Lisette Lewis Foundation	GP	Bursaries	4	R400 000
Eastern Cape Parks and Tourism Board	EC	Internships	12	R504 000
Total			699	R6 788 000

THE WORK INTEGRATED LEARNING FORUM

The Conservation chamber is part of this forum whose aim is to strengthen the scope and quality of the work integrated learning experience for students requiring placement to fulfil the curriculum requirements of their qualifications.

The ultimate purpose of this project is to ensure that the biodiversity sector has competent graduates that meet the requirement of the workplace.

This overall aim of the Work Integrated Learning Project implementation plan is envisioned through three specific objectives, namely: to improve alignment between the supply of and demand for work integrated learning student placements for biodiversity; to improve the quality of the work integrated learning experience for learners and to develop and implement a sustainable funding strategy for work integrated learning.

CHAMBER COMMITTEE MEETINGS

The chamber committee comprises of industry experts who provide guidance on the SETA's interventions in relation to Conservation issues.

The Conservation Chamber Committee is chaired by Ms. Judy Mulqueeny who is a Board member of CATHSSETA. Below is a summary of meetings held by this chamber during the financial year under review

Conservation Chamber Committee Meetings

First Name	Last Name	Organisation	Disability	Equity	19/05/2013	19/06/2013	28/08/2013	19/02/2014	Total
Judaline	Mulqueeny	Independent	None	C:F	Yes	Yes	No	Yes	3/4
Agatha	Khunwane	SANParks	None	B:F	Yes	Yes	Yes	No	3/4
Joshua	Zwane	NEHAWU - Mpumalanga	None	B:M	Yes	Yes	Yes	No	3/4
Ngcali	Nomtshongwana	Resource Africa	None	B:M	Yes	Yes	Yes	No	2/4
Solomon	Mosidi	SACCAWU	None	B:M	Yes	Yes	Yes	Yes	4/4
*Mbuyiselo	Sani	Dept. of Environment Affairs FS	None	B:M	Yes	No	Yes	N/A	2/4
**Joseph	Malinga	Dept. of Environment Affairs FS	None	B:M	N/A	N/A	N/A	Yes	1/4
Vivian	Zuma	NEHAWU - KwaZulu Natal	None	B:M	Yes	Yes	Yes	Yes	4/4
Senzi	Moroe	CATHSSETA	None	B:F	Yes	Yes	Yes	Yes	4/4

* Chamber member left the chamber committee

** Chamber member replaces the chamber member who left



GAMING AND LOTTERIES CHAMBER

During the financial year under review this chamber scoped a number of projects to respond to the skills needs as identified through the chamber committee. Below is the narrative for each of these projects as well a summary of chamber committee meetings attended.

CATHSSETA RACE DAY

Once again the Turffontein Horse Racing grounds hosted the annual CATHSSETA Race day in partnership with Phumelela on 04 May 2013. The event was aimed at offering opportunities to the work riders who are responsible for caring and grooming the horses to participate in this prestigious event as jockeys.

The objective was to identify those with potential to further develop their skills enabling them to qualify as professional jockeys in the near future. The race was a great success and the chamber looks forward to increasing the scope of this event in the future.

CASHIERS AND DEALERS SKILLS PROGRAMME

This project aimed to train 150 employees, 75 learners were on the Cashier Skills Programme and of the 75, 15 were based on Recognition of Prior Learning (RPL). The remaining 75 were on the Dealer Skills Programme of which 15 were based on a RPL.

The project commenced in March 2013 and took place in the five provinces namely Gauteng, KwaZulu Natal Free State and North West.

GAMING AND LOTTERIES FINANCIAL MANAGEMENT LEARNERSHIP

This project was aimed to train 20 learners on the National Certificate in Financial Management Level 5. It supported NGOs that are funded by the National Lotteries Board with personnel that will assist to manage their finances that arise from the funding that they have received and to ensure that the funds are properly utilised.

The project started in April 2013 and concluded in March 2014.

RISK MANAGEMENT, MONITORING AND EVALUATION SKILLS PROGRAMME

This project trained 18 learners (nine employed and nine unemployed) on the Risk Management, and Monitoring and Evaluation Skills Programme.

The project was aimed at supporting NGOs that are funded by the National Lotteries Board. Personnel were trained to assist, manage, monitor and evaluate the risks that arise from the funding that they received. The project started in May 2013 and was concluded in January of the same financial year.

SUPERVISORY TRAINING FOR TEAM LEADERS

This project was aimed to training 60 employed Supervisors on a Generic Management Skills Programme. It was implemented in six provinces namely; KwaZulu Natal, Limpopo, Mpumalanga, Gauteng, Western Cape and Eastern Cape. The project commenced in February 2013 and completed in March 2014.

Discretionary Grant Awarded

Name Of Applicant	Learnerships		Skills Programme		WIL		Internship		Total	
	Learners	Amount	Learners	Amount	Learners	Amount	Learners	Amount	Learners	Amount
Eastern Cape Gambling and Betting Board					5	60 000			5	60 000
Emnotweni Casino Tsogo Sun/ Nelspruit							2	84 000	2	84 000
Flamingo Casino	10	240 000							10	240 000
Frontier Inn & Casino hotel	25	320 000			10	120 000			35	440 000
Gidani PTY LTD							8	336 000	8	336 000
Golden Valley Casino	15	210 000							15	210 000
Goldfields Casino					51	612 000			51	612 000
Graceland Casino (Southern Highveld)	25	320 000							25	320 000
Meropa Leisure & Entertainment	24	312 000							24	312 000
Mmabatho Palms Casino Hotel & Resort	15	180 000							15	180 000
Peermont Global KZN Empangeni					20	240 000			20	240 000
Peermont Global KZN/Mondazur Hotel & Spa					6	72 000			6	72 000
Peermont Global Iimpopo					10	120 000			10	120 000
Peermont KZN t/a Umfolozi	10	140 000							10	140 000
Peermont t/a Emperors Palace	36	1120 000			40	480 000			76	1 600 000
Peermont Tusk Venda t/a Khoroni	15	210 000							15	210 000
Phumelela Gaming	10	120 000							10	120 000
Queens Casino & Hotel					7	84 000			7	84 000
Sibaya Casino	10	120 000							10	120 000
Sun City	30	380 000							30	380 000
SunCoast Casino & Entertainment	15	210 000	25	200 000					40	410 000
Tsogo Sun Hotels	10	120 000	320	2 560 000	406	4 872 000			736	7 552 000
Tusk Taung Casino					7	84 000			7	84 000
West Coast Leisure t/a Mykonos Casino	4	48 000							4	48 000
Total	240	3 882 000	345	2 760 000	562	6 744 000	10	420 000	1157	13 806 000

Chamber Committee Meetings:

The CATHSSETA Constitution makes provision for the establishment of Chamber Committee of which some of the duties and functions include among others to provide expert advice and strategic information to the CATHSSETA. The Chamber Committee is equitably made up of professionals, practitioners and labour movement in the areas of Gaming and Lotteries. Furthermore, it is through the chamber that skills development issues and proposals for projects in Gaming and Lotteries chamber can be solicited and channelled to CATHSSETA for possible funding.

Below is a summary of Chamber Committee meetings held during the year under review:

Chamber Meeting Attendance 2013/14

First Name	Last Name	Organisation	Disability	Equity	22/05/2013	16/07/2013	03/09/2013	23/01/2014	25/03/2014	Total
Fihliwe	Nkomo	CATHSSETA	None	B:F	Yes	Yes	Yes	Yes	Yes	5/5
Tshepe	Mokoena	National Gambling Board	None	B:M	Yes	Yes	Yes	No	No	3/5
Ndaduleni	Makhari	Gauteng Gambling Board	None	B:F	Yes	No	Yes	Yes	No	3/5
Dean	Latimer	Harness Racing Association of SA	None	W:M	Yes	No	Yes	Yes	No	3/5
Gordon	Hlangulela	NAFCOC	None	B:M	Yes	Yes	No	Yes	No	3/5
Peter	Naidoo	Phumelela	None	B:M	Yes	Yes	Yes	Yes	N/A	4/5
Ike	Shirindi	Phumelela	None	B:M	N/A	N/A	N/A	N/A	Yes	1/5
1Sithembiso	Radebe	SACCAWU	None	B:M	Yes	Yes	No	No	Yes	3/5
Shalom	Pila	National Lotteries Board	None	B:M	Yes	Yes	Yes	Yes	Yes	5/5
Caroline	Satsha	Tsogo Sun	None	B:F	Yes	Yes	No	Yes	Yes	4/5
Desmond	Cross	Hollywood Sportsbook	None	W:M	Yes	Yes	Yes	Yes	Yes	5/5



PART B: PERFORMANCE INFORMATION

SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The Department of Higher Education and Training has developed the National Skills Development Strategy (NSDS) III that places great emphasis on relevance, quality and sustainability of skills training programmes to ensure that they impact positively on the seven (7) key developmental and transformation imperatives.

The CATHSSETA's strategic focus for the year 2013-2014 centred around the 8 Goals of the NSDS III, each of which have outcomes and outputs that form the basis for monitoring and evaluation of SETA's implementation and impact assessment of these goals.

CATHSSETA sets annual targets in various projects to ensure that its activities address all eight (8) NSDS goals and that implemented programmes are relevant and responsive to the skills development and training needs of the SETA's sector.

For the year under review the CATHSSETA projects were implemented provincially to ensure balanced interventions of the SETA's projects nationally. These projects were implemented in line with the CATHSSETA's chamber strategies, which are aligned to the SETA's strategic plan and annual performance plan.

Furthermore, the NSDS III placed great emphasis on partnerships between SETAs, employers and the public sector. In keeping up with this objective, the CATHSSETA entered into MoU with municipalities and institutions of Higher Education to ensure that its interventions were accessible to the SETA's targeted communities.

The biggest challenge faced by the SETA pertains mainly to its levy income in relation to the skills development requirements the CATHSSETA is faced with. The SETA operates in an environment where its sector's skills training needs outweigh the income. This is because levy income is directly related to the nature of employment in the sector.

For instance, even though the hospitality sector accounts for over 70% percent of the CATHSSETA population, this sector pays fewer levies due to the nature of employment in this sector as compared to the Gaming and Lotteries sector which comprises of the smallest population, yet it pays the largest levies.

This does have an impact on the extent in which the SETA is able to spread its skills development interventions, more so because tourism and its associated sectors are identified as the key sectors with the potential to unlocking the economic growth and stimulating employment to reduce poverty.

Therefore, the more levies are collected from this sector, the more skills training and development initiatives can be up scaled resulting in more competent workforce available to service the booming tourism sector.

2.2. Organisational Environment

It was reported in the previous financial year that CATHSSETA had just concluded an Organisational Development (OD) exercise which proposed the restructuring of CATHSSETA's departments (business units) as well as the re-allocation of some functions to other departments in order to improve the SETA's delivery of its mandate.

This exercise resulted in the discontinuation of the then Projects Management Office and staff members who were previously in this department were allocated to the Skills Development, Research and Planning unit, the Quality Assurance unit, the Finance unit as well as the Communications and Marketing unit.

In addition a Chief Operating Officer (COO) was appointed to look after the operations of the organisation. This change meant that the above mentioned departments no longer reported to the CEO but to the COO and the CFO as outlined in the organogram on page 11 of this report. Furthermore, the tiers of management were expanded to include the following positions Stakeholder Relations and HR managers – reporting to the COO and the Finance and Supply Chain Managers report to the CFO.

The changes introduced and the adjustment thereof, presented some challenges in relation to the timeous implementation of CATHSSETA's programmes; which resulted in the SETA not fulfilling some of the outlined targets in the Annual Performance Plan (APP).

However, the Reprioritisation Action Plan (RAP) aimed at extenuating part of the shortfall was adopted and has been implemented by the organisation during the course of the financial year under review.

2.3 Key Policy Developments and legislative Changes

It was reported in the previous financial year that changes to the SETA Grant Regulations were published in the Government Gazette Regulation Number 9867 on 03 December 2012. Following extensive inputs and comments by both the SETAs and stakeholders the new SETA Grant Regulations became law and were enforced by the SETAs at the beginning of the financial year under review.

The changes in the regulations are aimed at ensuring that the levies collected from employers would have direct benefit for PIVOTAL training programmes. This means that since 01 April 2013, all training conducted by various employers must be NQF aligned and address scarce and critical skills needs as identified in each SETA's Sector Skills Plan (SSP).

Other intentions of the changed SETA Grant Regulations are to:

- Regulate the proportion of funds available for skills development that is spent on administration
- Provide for SETA's to contribution to the cost of the work of the Quality Council for Trade and Occupations (QCTO)
- Discourage the accumulation of surpluses and the carry-over of unspent funds at the end of the financial year
- Improve the quantity and quality of labour market information received by SETAs' in the form of WSP, ATR and PIVOTAL training reports, to inform planning.
- Create a framework within which expanded use is made of public education and training providers for the provision of skills development programmes.

(Government Gazette, 3 December 2012)

2.4 Comments

A detailed on the Auditor General's findings in reference to the pre-determined objectives under the heading Report on other Legal and Regulatory requirements may be found on page 162.

STRATEGIC OUTCOME ORIENTED GOALS

Goal 1: Establishing a credible institution mechanism for skills planning

The SETA set itself an objective to research national needs relating to skills development in order to enable effective planning across all CATHSSETA's economic sector. In addressing this goal, CATHSSETA established a research unit as a division of the Skills Development, Planning and Research Department.

The core function of the unit is to uplift the research and skills planning activities of the organisation so that they may directly contribute to the establishment of a credible institution mechanism for skills planning for both the CATHSSETA sectors and country.

The unit is also responsible for addressing the Research Capacity and Innovation strategic objectives of Goal 2 of the NSDS III. The research unit with consultation and guidance from both DHET and National Treasury realigned and revised the CATHSSETA's SP and APP ensuring that the organisation's Performance Indicators were specific, measurable, achievable, relevant and time-bound (SMART) and structured to achieve maximum impact in the sector.

The Sector Skills Plan's (SSP) importance and significance has been elevated by National Treasury's new SP and APP format and the SSP now forms the basis from which the SP and APP are developed and all goals, outcomes, performance indicators and targets are in synergy.

The SSP is the foundation upon which the Strategic Plan and Annual Performance Plan are developed. The key element of the SSP is a labour market analysis that results in a sector profile, demand and supply analysis and a Scarce and Critical Skills List. CATHSSETA's SSP has been updated, evaluated and signed off accordingly.

Goal 2: Increasing access to occupationally-directed programmes

CATHSSETA set itself an objective to identify middle level skills required by the employers and produce a strategy that addresses the skills needs and build partnerships with relevant provider institutions. During the financial year under review, the Research unit participated in a multitude of projects encompassing the establishment of partnerships including international partnerships.

These were not only aimed at enhancing the skills intelligence of the CATHSSETA sector, but also promoting research collaboration in advancing the research agenda of CATHSSETA. A detailed account on these projects is contained in the Skills Development, Planning and Research section of this report.

Goal 3: Promoting the growth of public FET College system that is responsive to sector, local, regional and national skills needs and priorities

The SETA has an objective to ensure that the National Certificate (Vocational) and N-courses are recognised by employers as important base qualifications through which young people are obtaining additional vocational skills and work experience. Ensuring that the young people enter the labour market with relevant skills that will help them obtain employment. A detailed account of the implemented project falling within this goal is contained in the performance information section of this report.

Goal 4: Addressing the low level of youth and adult language and numeracy skills to enable additional training

A national strategy is in place to provide all young people leaving school with an opportunity to engage in training or work experience and improve their employability. Three projects were rolled in all nine provinces to address the objectives of this goal. These comprise of workplace placement, workplace experience and internships. Some of these projects were initiated in the past financial year and a detailed report on achievements can be found from pages 52 to 67 of this report.

Goal 5: Encouraging better use of workplace-based skills development

Through this goal, the CATHSSETA set itself an objective to ensure that the training of employed workers addresses the critical skills, enabling improved productivity, economic growth and the ability of the workforce to adapt to the change in labour market. Refer to the performance information section of this report for a detailed account on the SETA's performance on this goal.

Goal 6: Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives

CATHSSETA set itself an objective to support the development of skills for the labour movements falling within the SETA's scope. The interventions are outlined in detail in the performance information section of this report.

Goal 7: Increasing public sector capacity for improved service delivery and supporting the building of a developmental state

The CATHSSETA intended a process that thoroughly analyses and reflects on the provision of education and training within the public sector and the contribution of various role players.

Goal 8: Building career and vocational guidance

Through this goal the CATHSSETA intends to ensure that career paths are mapped to qualifications in all sectors and sub-sectors and that these are effectively communicated. This is in order to contribute to improved relevance of training and greater mobility and progression. In response to this goal the CATHSSETA procured the services of a multimedia bus, which functions as a mobile classroom, the bus is equipped with computers, TV screens, printers and satellite connection.

The bus renders the SETA's career advice and information at the various Provincial Career Expos. The CATHSSETA's participation at the various career expos is guided by relevance to the SETA's sectors. Details on the the expos supported during this financial year is outlined in the performance information section of this report.

OVERVIEW OF CATHSSETA'S PERFORMANCE

The publication of the new SETA Grant Regulations on December 2012 required that CATHSSETA revise its Strategic Plan and Annual Performance Plan already submitted to DHET on 30 November 2012. The revision of the plans was done together with all applicable policies such as the Discretionary and Mandatory Grants Policies.

All the policy instruments were duly approved by the Board for implementation effective 1 April 2013. The Strategic Plan and the Annual Performance Plan was submitted for DHET approval in April 2013. Under normal circumstances these plans would be finalised by February each year.

Sector and industry workshops were held throughout the country to inform the stakeholders of the new grants regulations. The 3 month delay due to transitional preparations impacted negatively on achieving the first and the second quarter targets.

In addition to this transitional preparation, certain clauses in the Grant Regulations required that levy payers submit a PIVOTAL plan prior to accessing discretionary grants from the SETA. Levy payers could only submit a PIVOTAL plan when they submit their mandatory grants applications by the 30 June 2013.

It therefore became necessary to delay allocation of discretionary grants to levy payers until they submitted mandatory grants applications together with their PIVOTAL plans. In order to ensure uninterrupted performance, a decision was taken to open a discretionary grant application window for non-levy payers in the first quarter of 2013.

The applications received from the non-levy paying sector were not responsive to the requirements set by the SETA and discretionary grants allocations were therefore not adequate to address the set targets.

In December 2012, the Board approved projects for implementation. These projects however, could not be implemented as they, firstly, have to be realigned to the New Grant Regulations, secondly the targets were increased by DHET and lastly because of the restructuring exercise that was underway at CATHSSETA at the time, which for all intents and purpose should not had an impact in the achievement of the quarterly targets.

The CATHSSETA Discretionary Grant application window was concluded in November 2013. The evaluation and allocation processes were finalised in January 2014 and implementation is currently underway.

Achievements from both the above mentioned Board approved projects, as well as the allocations from the Discretionary grant were reported in the fourth quarter. In attempts to catch up with the backlog, a Reprioritisation Action Plan was approved by the Board to mitigate against total failure to meet the set targets due to the reasons stated above, as such this Plan has assisted in CATHSSETA managing to report significant progress in both quarter 3 and 4 and the Accounting Authority will continue to monitor progress.

2014/15 IMPROVEMENT PLANS

In order to avoid a similar situation, discretionary grants applications will be opened in the first Quarter of the financial year and at least two discretionary grants applications window in each year.

Summary of Annual Performance Plan Targets per quarter reported in the DHET QMR

GOALS / OUTCOME / OUTPUTS	TARGET					ANNUAL PERFORMANCE PLAN REFERENCE
	Q1	Q2	Q3	Q4	Q5	
4.2.1 Learnerships Workers Entered	0	750	0	750	1500	Middle Level Prog 2 only
4.2.1 Bursaries Workers Entered	82	0	0	0	82	High Level, Prog 5 Only
4.2.1 Skills Programmes Workers Entered	0	988	1764	1248	4000	Middle Level Prog 2 only
4.2.1 Learnerships Workers Certificated	250	250	125	125	750	Middle Level Prog 2 only
4.2.1 Bursaries Workers Certificated	0	0	0	66	66	Prog 5 only
4.2.1 Skills Programmes Workers Certificated	500	500	500	500	2000	Middle Level Prog 2 only
4.2.1 Learnerships Unemployed Entered	0	250	0	250	500	Middle Level Prog 2 only
4.2.1 Bursary Unemployed Entered	136	0	0	219	355	56 High Level, Prog 5 Only, 80 Prog 6 only
4.2.1 Internships Unemployed Entered	100	0	0		100	Prog 5 only
4.2.1 Skills Programmes Unemployed Entered	400	0	560	0	960	Prog 10
4.2.1 Learnerships Unemployed Certificated	100	50	50	50	250	Middle Level Prog 2 only
4.2.1 Bursary Unemployed Certificated	0	0.	0	215	215	110 Middle level prog 2, 45 High Level prog 5, 60 Prog 6
4.2.1 Internships Unemployed Certificated	0	0	0	80	80	Prog 5 only
4.2.1 Skills Programmes Unemployed Certificated	0	200		280	480	Prog 10 only
4.2.2 Artisan Workers Entered	53	0	0	0	53	Prog 3 only
4.2.2 Artisan Workers Certificated	0	0	0	27	27	Prog 3 only
4.2.2 Artisan Unemployed Entered	51	0	0	0	51	Prog 3 only
4.2.2 Artisans Unemployed Certificated	0	0	0	26	26	Prog 3 only
4.2.3 Workplace Experience	0	750	0	750	1500	Prog 2 only
4.3.2 FET College Partnerships	31	0	0	0	31	Prog 2 only
4.4. AET Programmes Entered	20	0	20		40	Prog 10 only
4.4. AET Programmes Certificated	0	10	0	10	20	Prog 10 only
4.6.1 Co-Operatives	0	7			7	Prog 12 only
4.6.2 Small Business Support	776	700	500	774	2750	Prog 13 only
4.6.3 NGO, CBO,NLPE						
NGO	0	1	2	0	3	Prog 14 only
CBO	0	5	8	0	13	Prog 14 only
NLPE						
Trade Unions	0	5	4	0	9	Prog 14 only
4.8 Career Guidance	100	170	60	37	367	Prog 16 only



CATHSSETA staff visit to Childhood Cancer (CHOC) Foundation

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

A consolidated summary of the Quarterly Monitoring Report 2013/14

GOALS / OUTCOME / OUTPUTS		TARGET	QRT 1	QRT 2	QRT 3
4.2.1	LEARNERSHIPS WORKERS ENTERED	1500	3	732	192
4.2.1	BURSARIES WORKERS ENTERED	82	30	1	0
4.2.1	SKILLS PROGRAMMES WORKERS ENTERED	4000	364	83	53
4.2.1	TOTAL WORKERS ENTERED	5582	397	816	245
4.2.1	LEARNERSHIPS WORKERS CERTIFICATED	750	13	137	52
4.2.1	BURSARIES WORKERS CERTIFICATED	66	0	0	0
4.2.1	SKILLS PROGRAMMES WORKERS CERTIFICATED	2000	390	1145	2708
4.2.1	LEARNERSHIPS UNEMPLOYED ENTERED	500	487	482	126
4.2.1	BURSARY UNEMPLOYED ENTERED	355	142	5	0
4.2.1	INTERNSHIPS UNEMPLOYED ENTERED	100	108	5	0
4.2.1	SKILLS PROGRAMMES UNEMPLOYED ENTERED	960	4	10	81
4.2.1	TOTAL UNEMPLOYED ENTERED	1915	741	502	207
4.2.1	LEARNERSHIPS UNEMPLOYED CERTIFICATED	250	213	188	109
4.2.1	BURSARY UNEMPLOYED CERTIFICATED	215	0	1	0
4.2.1	INTERNSHIPS UNEMPLOYED CERTIFICATED	80	5	66	4
4.2.1	SKILLS PROGRAMMES UNEMPLOYED CERTIFICATED	480	472	450	602
4.2.1	TOTAL UNEMPLOYED CERTIFICATED	1025	690	705	715
4.2.2	TOTAL ARTISAN WORKERS ENTERED	53	0	37	13
4.2.2	TOTAL ARTISAN WORKERS CERTIFICATED	27	0	0	0
4.2.2	TOTAL ARTISAN UNEMPLOYED ENTERED	51	56	0	19
4.2.2	ARTISANS UNEMPLOYED CERTIFICATED	26	0	0	0
4.2.3	WORKPLACE EXPERIENCE	1500	0	0	0
4.3.2	FET COLLEGE PARTNERSHIPS	31	44	0	0
4.4.	AET PROGRAMMES ENTERED	40	0	0	0
4.4.	AET PROGRAMMES CERTIFICATED	20	18	0	0
4.6.1	CO-OPERATIVES	7	0	0	0
4.6.2	SMALL BUSINESS SUPPORT	2750	303	0	830
4.6.3	NGO, CBO, NLPE & TRADE UNIONS	25	0	0	0
	NGO	3	0	0	0
	CBO	13	0	0	0
	NLPE	0	0	0	0
	TRADE UNION	9	0	0	0
4.8	CAREER GUIDANCE	367	215	251	37

QRT 4	TOTAL	VAR	% ACHIEVED	FULLY CATHSSETA FUNDED Q4	PARTIALLY CATHSSETA FUNDED Q4
645	1572	72	105%	282	363
13	44	-38	54%	13	0
1597	2097	-1903	52%	990	607
2255	3713	-1869	67%		
87	289	-461	39%	1	86
11	11	-55	17%	11	0
476	4719	2719	236%	59	417
167	1262	762	252%	98	69
241	388	33	109%	241	0
29	142	42	142%	29	0
241	336	-624	35%	23	218
678	2128	213	63%		
288	798	548	319%	203	85
210	211	-4	98%	210	0
32	107	27	134%	32	0
477	2001	1521	417%	0	477
1007	3117	2092	304%		
0	50	-3	94%	0	0
0	0	-27	0%	0	0
0	75	24	147%	0	0
9	9	-17	35%	9	0
689	689	-811	46%	689	0
0	44	13	142%	0	0
18	18	-22	45%	18	0
0	18	-2	90%	0	0
0	0	-7	0%	0	0
130	1263	-1487	46%	1263	0
0	0	-25	0%	0	0
	0	-3	0	0	0
	0	-13	0	0	0
	0	0	0	0	0
	0	-9	0	0	0
81	584	217	159%	81	0

Programme 1:

Coordinate Research and Skills Planning for the Sector

PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
<p>1.1.1</p> <p>Research Programme defined – Policy, strategy, plans and resources.</p> <p>Available Research Policy 5 year Research Strategic Plan.</p> <p>Research Unit Recruit qualified staff and create partnerships with research institutions.</p> <p>Percentage of Research Programmes and MoUs.</p>	<p>Strategic Plan and Annual Performance Plan submitted and signed off by DHET.</p> <p>Research Partnerships established with 10 Public Universities via MoU to conduct Labour Market Analysis and Sector Research.</p>	<p>Strategic Plan and Annual Performance Plan 2014/15 submitted by 30 January.</p> <p>Research Partnerships established with 10 Public Universities via MoU Labour Market Analysis and Sector Research in progress include: Scarce skills, workplace occupations, career pathways, access to the green economy, Sports Tourism Research, work integrated learning, transformation, academic system, life skills and school sport.</p>	<p>All research projects are ongoing and are linked to post graduate students</p>	<p>These are mainly two to three year projects as they involve post graduate learners studying towards Masters and PhD degrees and their research projects focus on skills within the sector including labour market analysis. Research Projects are either in year one or year two.</p>
<p>1.1.2</p> <p>Acceptable Sector Skills Plan</p> <p>All 6 sub-sectors occupations updated on the OFO, career paths researched and developed</p>	<p>Accepted SSP</p> <p>All 6 sub-sectors occupations updated on the OFO, career paths researched and developed</p>	<p>Final SSP signed off by Board and submitted to DHET on 30 January 2014 as annexure to the Strategic Plan.</p> <p>All 6 sub-sectors occupations were updated according to OFO and included in the Chamber Guides.</p>	<p>No Variation</p> <p>No Variation</p>	<p>Challenges in the understanding and use of the OFO tool were experienced by stakeholders mainly the generalisation across occupations instead of specific naming of occupations. The OFO codes have formed part of the agenda of the CATHSSETA chamber activity which provides each sub-sector with a platform to identify sector occupations</p>
<p>1.1.3</p> <p>Research portal accessed by stakeholders</p>	<p>Research & data uploaded and accessed by 426 stakeholders</p>	<p>Research portal was accessed by 384 stakeholders</p>	<p>42 shortfall</p>	<p>Less than targeted was achieved, the portal content was not updated</p>

Programme 2:

Address Sector Middle Level Skills - Learning Programmes

PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
2.1.1 Middle Skills needs identified through research and reported in SSP. Strategies, Programmes and partnerships with FETs & UoTs concluded to place unemployed learners in Work Integrated Learning.	Middle level scarce and critical skills identified and reported in the SSP. Unemployed FET and UoT learners placed in Work Integrated Learning via 31 partnerships.	Updated and captured in final SSP signed off by Board and submitted to DHET. 44 Partnerships in place via valid MoUs	13 more MoUs were achieved	Over achievement of the target was due to improved participation of FET colleges in SETA programme.
2.1.2 Each sub-sector has formulated strategy for implementation. Learners enter and complete learning programme. MoUs signed with public FET colleges and employers. Project Plans implemented.	7719 beneficiaries Employed Learnerships: Enter: 1500, Complete: 750 Unemployed Learnerships: Enter: 500, Complete: 250 Unemployed Bursaries: Enter: 219, Complete: 110 Work Integrated Learning: Enter: 1500 Complete: 750 *Employed Skills Programmes: Enter: 4000 Complete: 2000	5961 beneficiaries Employed Learnerships: Enter: 1572, Complete: 289 Unemployed Learnerships: Enter: 1262, Completed: 798 Unemployed Bursaries: Enter: 343, Complete: 211 Work Integrated Learning: Enter: 689, Complete: 0 Employed Skills Programmes: Enter: 2097 Completed: 4719	1758 shortfall 72 more entered and 461 shortfall on completions 762 more entered and 548 more completed 124 more entered and 101 more complete 811 less placed and 750 less completions	A total of 5961 beneficiaries (77, 2%) were entered into learning programmes. At total of 363 learners were partially funded by the sector and this led to overachievement. Target met and exceeded includes industry training that is partially funded by CATHSSETA The target for unemployed bursaries awarded was overachieved due to previous year intake that required further funding. There is a huge demand from unemployed learners due to increase awareness created by career guidance campaign. Both Work Integrated Learning and Skills programmes targets were achieved at lower levels 46% and 52% respectively. Main challenge being late implementation of projects due to New Grant Regulations introduced at the end of the year without transitional arrangements.

Programme 3:

Artisan Development: Learning Programmes

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
2.2.1	Need for artisan training per sub-sector assessed.	Unemployed Artisans: Enter: 51 Complete: 26	Unemployed Artisans: Entered: 75 Complete: 9	24 more entered 17 less completed	Certification of artisans will only be reported in 2014/15 due to the implementation timeframes
	If required strategy and plan developed to address this need. Artisans trained	Employed Artisans: Enter: 53, Complete: 27	Employed Enter: 50 Complete: 0	3 less entered 27 less completed	Main challenge being late implementation of projects due to New Grant Regulations introduced at the end of the year without transitional arrangements.
2.2.2	Updated Artisan Development Framework updated annually.	Updated Artisan Development Framework	Participated in the NAMB Artisan Development Framework update.	No Variation	This is a National Artisan Moderation Body led process.

Programme 4:

Communications

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
1.1 & 8.1	CATHSSETA information communicated to all stakeholders and sector specific events promoted, hosted and publicised.	Finalisation and submission of compliance documentation (Annual Report, Strategic Plan and APP).	Annual Performance Plan and Strategic Plan were delivered in Parliament in March 2014	No Variation	The number of reported events were in support of chamber specific workshops, conference and roadshows, and exhibitions.
		32 Sector specific events promoted, hosted and publicised.	A total of 36 events were hosted/ participated in.	4 more events	
		Sector specific projects promoted and publicised.	5 Sector specific events hosted and 3 projects events supported	No Variation	
		Production of all promotional material including branding.	The Annual Report was delivered to DHET. National Treasury on 30 August 2013 and was distributed at the AGM on the 29 October 2013	No Variation	

Programme 5:

Addressing High Level Scarce Skills – Learning Programmes

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
2.3.1	High Levels scarce skills identified in the sector and documented in appropriate plans and strategies.	High level skills identified in all sub-sectors and captured in annual SSP Update.	Updated and captured in final SSP signed off by Board and submitted to DHET.	No Variation	No deviation
2.3.2	Qualified learners placed in work experience and experiential learning opportunities Bursaries granted to unemployed learners at Higher Education Institutions via MoUs.	Unemployed Internships: Enter:100, Complete:80 Employed bursaries: Enter: 82, Complete: 66 Unemployed bursaries: Enter: 56, Complete:45 10 MoUs with HEIs	Unemployed Internships: Enter: 142, Completed: 107 Employed bursary Enter: 44, Completed,11 Unemployed Bursary Enter: 5 Complete, 0	42 more entered 27 more completed 51 less entered 45 less completed	Recruitment challenges due to delayed implementation of discretionary grants. Overachievement of bursaries is as a result of entries and completion grants awarded to learners during the 2013/14 fiscal year. Entries of employed bursaries are as a result of applications received via the discretionary grant window.

Programme 6:

Research for Innovation and Development – Research and Learning Programmes

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
2.4.1	Publication of research and conference papers.	12 papers	13 conference papers	1 more	Target met and slightly exceeded.
2.4.2	Students entering and completing learning programmes through MoU with HEIs.	80 unemployed learners enter; 60 learners complete 10 MoUs with HEIs	40 Learners entered No learners completed 12 MoUs with HEIs	40 less entered 60 less completed 2 more MoUs	These are Masters and PhD students are none of them have completed as yet. 2 more HEIs signed MoUs
2.4.3	Monitoring and evaluation of projects and impacts.	CATHSSETA Impact Study assess 15 discretionary grant projects.	7 projects assessed	8 less projects	Impact study is ongoing and the variation is due to incomplete assessment at the end of the financial year.

Programme 7:

NCV Review: Quality Assurance

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
3.1.1 & 3.1.2	NCV& N Courses accepted by industry, who both training their employees via this qualification and hire graduates with the qualification Number of NCV& N Courses re-aligned	2 qualifications relevant to the sector	The research in progress on the two qualifications (Hospitality and Tourism)	Ongoing Process	This is an ongoing review process

Programme 8:

Addressing High Level Scarce Skills – SDPR: Learning Programmes Unit

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
8.1.1	Qualifications piloted and scoped via QCTO	4 qualifications piloted and scoped via QCTO	Occupational Certificate: Cook and Part Qualification: Kitchen hand scoped and developed via QCTO. 4 Qualifications have been scoped via the QCTO process: 1. Chef 2. Travel Consultant 3. Tour guide 4. Park Ranger (Anti-Poaching)	No Variation	The Chef qualification has been submitted for approval to the QCTO. The Community of Expert Practitioners (CEP) have started creating pathway in order to allow learners to enter or study towards a Chef qualification through different means should they choose. The Tourist Guide industry together with CATHSSETA reviewed the Tourist Guide Qualification as per the processes stipulated by the QCTO.
8.1.2	Quality Assurance of Training Provision by CATHSSETA QA Accredited Providers.	100 Training Provider Verification Visits	94 Training Provider Verification Visits Conducted.	6 less visits	The target is dependent on the training provider readiness to accept verification visit request.

Programme 9:

FET Capacity Building - Quality Assurance

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
3.2.1	FET College partnerships	Public FET Outcomes	Public FET Outcomes	N/A	N/A
3.2.2	FET colleges offer relevant vocational courses. Local employers provide work experience for college learners.	1 FET college per year per province offering relevant qualifications and partnerships formed to offer vocational courses. Employers in the vicinity identified.	Over 40 FET partnerships via MoUs	31 more partnerships	Over 40 FET partnerships are in place including partnerships with employers so as to facilitate placement of learners.
3.2.3	FET staff complete training programmes.	20 FET college staff requiring capacity building identified.	178 Educators were supported	158 more educators	Target was over achieved due to high demand and need to up-skill college staff.

Programme 10:

Provision for the low level unemployed language and numeracy skills: Chambers – skills programmes

	PERFORMANCE INDICATORS	TARGET	PERFORMANCE RESULTS	DHET QMR	COMMENTS
4.1.1	CATHSSETA Strategy Approved by Board for implementation and updated annually.	Updated strategy	CATHSSETA Strategy Approved by Board	No Variation	No deviation
4.1.2	Functional Database of training and work opportunities.	2 439 work seeking unemployed youth captured on CATHSSETA database.	9632 work seeking unemployed youth captured on CATHSSETA database.	7193 more youth	Target exceeded due to high unemployment levels
4.1.3	Youth from rural areas enter and complete a skills and mentorship programme.	1 000 unemployed learners assisted Unemployed Skills Programme Enter: 960, Complete: 480 AET Programme: Enter: 40, Complete: 20	2337 unemployed learners assisted Unemployed Skills Programme Enter: 336 Complete: 2001 AET Programme: Enter: 18, Complete: 18	1337 more youth assisted 624 less unemployed entered 1521 more completed 22 less entered AET programme 2 less completed	Target exceeded due to high unemployment levels. Recruitment challenges due to delayed implementation of discretionary grants.

Programme 11:

Provision of Quality Training for Employed Workers – SDPR Research Unit and Chambers.

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
5.1.1	Policies and guidelines developed and implemented that support an increased number of employed workers in decent jobs.	Increased number of employed workers in decent jobs.	Mandatory Grant Policy and Guidelines developed and approved by Board. Over 2800 workers reported in WSP/ATRs	Not Achieved	Whilst decent jobs cannot be certainly measured at this stage but there is significant number of cases where CATHSSETA funded learners has progressed into higher levels of employment. More results will be established at the conclusion of the impact study.
5.1.2	Increased number of employed workers in the sector, improve their qualifications and progress into higher positions and increased income. WSPs and ATRs reflect learners planned and trained. These plans and reports are monitored, evaluated and approved.	4 750 sector employed workers supported.	4267 workers supported	483 less workers supported	Target linked to Mandatory Grants dependent training. Shortfall is due to a number of WSPs that were rejected because they did not meet the criteria.
5.1.3	Increased number of employed workers in the sector educated and trained through PIVOTAL programmes via Discretionary projects. PPT and PTR reflect learners planned and trained. These plans and reports are monitored, evaluated and approved.	8 385 sector employed workers skilled and trained through PIVOTAL programmes.	3763 sector employed workers skilled and trained.	4622 less trained	Target not met, could not report on most training due to Discretionary Grants delayed implementation and employers started training without CATHSSETA's grants.

Programme 12:

Support for Cooperatives through skills development- SDPR: Chambers.

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
6.1.1	List of scarce and critical skills of sector cooperatives.	Part Annual SSP Update	Updated and captured in final SSP signed off by Board and submitted to DHET.	No Variation	
6.1.2	Co-Ops Supported	Relevant projects researched and scoped 7 Co-Ops supported.	Relevant projects researched and scoped 0 Co-Ops supported	7 less	Target not met, could not report on most training due to Discretionary Grants delayed implementation.
6.1.3	Database of Co-Ops	Existing database updated	Database development will be updated once all coops have been recruited.	No Achieved	Ongoing research process

Programme 13:

Support for Small and Emerging Businesses through skills development - Chambers – skills programmes.

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
6.2.1	List of scarce and critical skills	Part Annual SSP Update	Updated and captured in final SSP signed off by Board and submitted to DHET.	Not achieved	No deviation
6.2.2	Support Offered to SMME	2 750 Skills Programmes to support SMME owners and employees.	1253 SMME owners, employees or potential entrepreneurs supported .	1497 less	Target not met due to Discretionary Grants delayed implementation.
6.2.3	SMME Database	Database to be maintained and updated.	Database maintained and updated.	No variation	Database on the SMS

Programme 14:

Support for Trade Unions, NGOs and CBOs through skills development - Chambers – skills programmes and organisational support.

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
6.3.1	List of scarce and critical skills.	Part Annual SSP Update	Updated and captured in final SSP signed off by Board and submitted to DHET.	No Variation	
6.3.2	Support offered to Trade Unions, NGOs and CBOs.	3 projects scoped and implemented supporting 25 organisations in total NGOs = 3 CBOs = 13 Trade Unions = 9	3 projects scoped and implemented supporting organisations in total NGOs = 0 CBOs = 0 Trade Unions = 0	None achieved	Target not met due to Discretionary Grants delayed implementation.
6.3.3	Database of Trade Unions, NGOs and CBOs.	Database of 25 Trade Unions, 3 NGOs and 13 NPOs across all sub-sectors. CBOs to be identified and database developed.	Database of Trade Unions, NGOs and NPOs across all sub-sectors developed.	No Variation	Databases available

Programme 15:

Public Sector Education and Training – Public service training

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
7.1.1	Analysis captured in Annual SSP updates	Captured in SSP Update	Updated and captured in final SSP signed off by Board and submitted to DHET.	No Variation	No deviation
7.1.2	DHET Output	N/A	N/A	N/A	N/A
7.2.1	Capacity needs captured in Annual SSP updates	Captured in SSP Update	Captured in SSP Update	No Variation	Databases available
7.2.1	MoUs and projects finalised Provincial offices opened to support MoU projects.	10 MoUs and 10 Projects 3 provincial offices opened	At least 5 projects in progress with government and public entities. There were no new provincial offices established. 2 MoUs concluded 2 Offices operate in one province	None of the projects implemented 3 less	Public Service Training budget has been reconfigured and currently being discussed with stakeholders. FET offices run by other SETAs currently being used as offices and CATHSSETA is responsible for 2 FET offices.

Programme 16:

Career Guidance for Sector Stakeholders: Communications

	PERFORMANCE INDICATORS	ANNUAL TARGET	TARGET ACHIEVEMENT	VARIATION FROM TARGET	COMMENTS ON VARIATION
8.1.1	Able to provide career and vocational guidance to employees and prospective learners.	6 Career Guides Developed and distributed for all sub-sector.	6 Career Guides updated for all sub-sectors	No Variation	No deviation
8.1.2	Increased learners make informed decision on career choices and more relevant people enter and stay within the sector. National and provincial career expos Participation of stakeholders in career guidance programmes.	367 institutions engaged in career guidance programmes through career exhibitions and CATHSSETA mobile services.	584 Institutions engaged in career guidance programmes.	217 more	Target over achieved at 159 percent due to industry partnerships.

Programme 17:

SETA Administration – Corporate Services

	PERFORMANCE INDICATORS	TARGET	PERFORMANCE RESULTS	DHET QMR	COMMENTS
	Strategic objectives and priorities reviewed to ensure mandate is achieved.	Consultation with stakeholders Board Management and departmental strategic review and planning.	SDF Workshops held in all 9 Provinces 7 Departmental Strategic Planning Sessions Management Strategic sessions including staff were conducted.	No Variation	
	CATHSSETA policies and programmes reviewed. Good Governance, sound financial and organisational management	12 Policies and 17 Programmes reviewed Unqualified Audit Report and Management Report by Auditor General. Quarterly Monitoring Report validated and accepted by DHET for all quarters. Management Reports submitted quarterly to MANCO, Board Sub-Committees and approved by the Board.	14 Policies and 17 Programmes reviewed Internal Audit Report and Management Report produced. All Quarterly Monitoring Reports submitted by due date.	2 more policies	Learner selection and recruitment policy was amongst additional policy developed.

Performance against the Service Level Agreement targets 2013/14

NSDS OUTCOMES/OUTPUTS	TARGETS	Total Achieved	DEVIATION
Workers Entering Learnerships	1500	1572	72 more
Workers Entering Bursaries	82	44	38 less
Workers Certificated in Learnerships	750	289	461 less
Workers Certificated in Skills Programmes	2000	4719	2719 more
Unemployed Entering Bursaries	355	388	33 more
Unemployed Entering Skills Programmes	960	336	624 less
Unemployed Certificated in Bursaries	215	211	4 less
Unemployed Certificated in Skills Programmes	480	2001	1521 more
Artisans Certificated	53	9	44 less
Universities Graduate Placement	0	0	-
Universities Partnerships	0	0	-
AET Programmes Certificated	20	18	2 less
Small Business Supported	2750	1263	1487 less
NLPE	0	0	-
TRADE UNION	9	0	9 less

FEEDBACK ON TARGET AND ACHIEVEMENT	COMMENTS REFERENCE TO PROGRAMMES
The Learnership target for employed was achieved at 104, 6 percent	Programme 2 Workers Entering Learnerships
Bursary target for workers achieved at 53 percent (employers, unions and SDFs, are drivers and needed to participate)	Programme 2 Workers Entering Bursaries
Target achieved at 52 percent, (employers, unions and SDFs, are drivers and needed to participate)	Programme 2 Workers Entering Skills Programmes
Target achieved at 39 percent, (employers, unions and SDFs, are drivers and needed to participate)	Programme 2 Workers Certificated in Learnerships
Bursary target for workers achieved at 53 percent (employers, unions and SDFs, are drivers and needed to participate)	Programme 2 Workers Certificated in Bursary
Target met and exceeded includes industry training that is partially funded by CATHSSETA	Programme 2 Workers Certificated in Skills Programmes
Target met and exceeded includes industry training that is partially funded by CATHSSETA	Programme 2 Unemployed Entering Learnerships
Target met and exceeded at 109 percent	Programme 2, 5 & 6 Unemployed Entering Bursaries
Target met and exceeded at 142 percent	Programme 2 Unemployed Entering Internships/Workplace Experience
Target is met at 35 percent	Programme 10 Unemployed Entering Skills Programmes
Target met and exceeded at 323 percent	Programme 2 Unemployed Certificated in Learnerships
Target is met at 98 percent	Programme 2 Unemployed Certificated in Bursaries
Target met and exceeded at 134 percent	Programme 2 Unemployed Certificated in Internships/Workplace Experience
Target met and exceeded at 417 percent	Programme 10 Unemployed Certificated in Internships/Workplace Experience
Target met and exceeded at 120 percent	Programme 3 Artisans Certificated
Target is met at 17 percent	Programme 3 Artisans Certificated
Target is met at 46 percent	Programme 2 FET Graduate Placement
Target met and exceeded at 489 percent	Programme 9 FET College Partnerships
Target is met at 45	Programme 10 AET Programmes Entered
Target is met at 90%	Programme 10 AET Programmes Certificated
	Programme 12 Cooperatives Supported
Target is met at 46	Programme 13 Small Business Supported
	Programme 14 NGOs
-	
	Programme 14 CBO
	Programme 14 TRADE UNION
Target met and exceeded at 160 percent due to huge demand for career guidance	Programme 16 Career Guidance Provided

Total Target exceeded at 102 percent and is a reflection that resources were allocated.

A consolidated summary of the Quarterly Monitoring Report 2013/14

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
4.2.1 LEARNERSHIPS WORKERS	1500	3	732	192	645	1572	72	105%	282	363
BLACK MALE	690	1	407	63	249	720	30			
BLACK FEMALE	810	2	291	120	371	784	-26			
WHITE MALE	0	0	12	2	11	25	25			
WHITE FEMALE	0	0	22	7	14	43	43			
PEOPLE WITH DISABILITIES	15	0	19	0	17	36	21			
YOUTH	900	2	540	124	383	1049	149			
NON SA-CITIZENS	150	0	42	9	7	58	-92			
4.2.1 BURSARIES WORKERS ENTERED	82	30	1	0	13	44	-38	54%	13	0
BLACK MALE	38	14	1	0	6	21	-17			
BLACK FEMALE	44	11	0	0	3	14	-30			
WHITE MALE	0	3	0	0	1	4	4			
WHITE FEMALE	0	2	0	0	3	5	5			
PEOPLE WITH DISABILITIES	1	0	0	0	0	0	-1			
YOUTH	49	12	0	0	8	20	-29			
NON SA-CITIZENS	8	0	0	0	0	0	-8			
4.2.1 SKILLS PROGRAMMES WORKERS	4000	364	83	53	1597	2097	-1903	52%	990	607
BLACK MALE	1840	163	42	21	686	912	-928			
BLACK FEMALE	2160	147	26	2	839	1014	-1146			
WHITE MALE	0	42	9	18	36	105	105			
WHITE FEMALE	0	12	6	12	36	66	66			
PEOPLE WITH DISABILITIES	40	0	0	0	0	0	-40			
YOUTH	2400	262	25	20	951	1258	-1142			
NON SA-CITIZENS	400	9	0	3	1	13	-387			
4.2.1 TOTAL WORKERS ENTERED	5582	397	816	245	2255	3713	-1869	67%		
BLACK MALE	2568	178	450	84	941	1653	-915			
BLACK FEMALE	3014	160	317	122	1213	1812	-1202			
WHITE MALE	0	45	21	20	48	134	134			
WHITE FEMALE	0	14	28	19	53	114	114			

A consolidated summary of the Quarterly Monitoring Report 2013/14

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
PEOPLE WITH DISABILITIES	56	0	19	0	17	36	-20			
YOUTH	3349	276	565	144	1342	2327	-1022			
NON SA-CITIZENS	558	9	42	12	8	71	-487			
4.2.1 LEARNERSHIPS WORKERS CERTIFICATED	750	13	137	52	87	289	-461	39%	1	86
BLACK MALE	345	7	45	17	36	105	-240			
BLACK FEMALE	405	4	86	34	48	172	-233			
WHITE MALE	0	2	0	0	2	4	4			
WHITE FEMALE	0	0	6	1	1	8	8			
PEOPLE WITH DISABILITIES	8	0	0	0	0	0	-8			
YOUTH	450	5	23	22	59	109	-341			
NON SA-CITIZENS	75	0	0	1	10	11	-64			
4.2.1 BURSARIES WORKERS CERTIFICATED	66	0	0	0	11	11	-55	17%	11	0
BLACK MALE	30	0	0	0	2	2	-28			
BLACK FEMALE	36	0	0	0	9	9	-27			
WHITE MALE	0	0	0	0	0	0	0			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	1	0	0	0	0	0	-1			
YOUTH	40	0	0	0	0	2	-38			
NON SA-CITIZENS	7	0	0	0	0	0	-7			
4.2.1 SKILLS PROGRAMMES WORKERS CERTIFICATED	2000	390	1145	2708	476	4719	2719	236%	59	417
BLACK MALE	920	101	497	966	164	1728	808			
BLACK FEMALE	1080	107	384	1222	110	1823	743			
WHITE MALE	0	130	170	336	120	756	756			
WHITE FEMALE	0	52	94	184	82	412	412			
PEOPLE WITH DISABILITIES	20	0	0	26	0	26	6			
YOUTH	1200	218	574	1346	224	2362	1162			
NON SA-CITIZENS	200	12	76	0	2	90	-110			

A consolidated summary of the Quarterly Monitoring Report 2013/14

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
4.2.1 LEARNERSHIPS UNEMPLOYED ENTERED	500	487	482	126	167	1262	762	252%	98	69
BLACK MALE	230	169	165	31	58	423	193			
BLACK FEMALE	270	306	311	95	108	820	550			
WHITE MALE	0	8	4	0	1	13	13			
WHITE FEMALE	0	4	2	0	0	6	6			
PEOPLE WITH DISABILITIES	5	0	0	1	1	2	-3			
YOUTH	300	436	467	121	160	1184	884			
NON SA-CITIZENS	50	1	0	0	0	1	-49			
4.2.1 BURSARY UNEMPLOYED ENTERED	355	142	5	0	241	388	33	109%	241	0
BLACK MALE	163	42	2	0	68	112	-51			
BLACK FEMALE	192	84	3	0	150	237	45			
WHITE MALE	0	4	0	0	6	10	10			
WHITE FEMALE	0	12	0	0	17	29	29			
PEOPLE WITH DISABILITIES	4	0	0	0	0	0	-4			
YOUTH	213	134	5	0	237	376	163			
NON SA-CITIZENS	36	1	0	0	1	2	-34			
4.2.1 INTERNSHIPS UNEMPLOYED ENTERED	100	108	5	0	29	142	42	142%	29	0
BLACK MALE	46	41	1	0	10	52	6			
BLACK FEMALE	54	62	4	0	19	85	31			
WHITE MALE	0	5	0	0	0	5	5			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	1	0	0	0	0	0	-1			
YOUTH	60	105	5	0	27	137	77			
NON SA-CITIZENS	10	0	0	0	0	0	-10			
4.2.1 SKILLS PROGRAMMES UNEMPLOYED ENTERED	960	4	10	81	241	336	-624	35%	23	218
BLACK MALE	442	3	7	35	97	142	-300			
BLACK FEMALE	518	1	2	33	129	165	-353			
WHITE MALE	0	0	1	9	10	20	20			

A consolidated summary of the Quarterly Monitoring Report 2013/14

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
WHITE FEMALE	0	0	0	4	5	9	9			
PEOPLE WITH DISABILITIES	10	0	0	1	1	2	-8			
YOUTH	576	4	10	53	213	280	-296			
NON SA-CITIZENS	96	0	0	3	1	4	-92			
4.2.1 TOTAL UNEMPLOYED ENTERED	1915	741	502	207	678	2128	213	63%		
BLACK MALE	881	0	175	66	233	474	-407			
BLACK FEMALE	1034	0	320	128	406	854	-180			
WHITE MALE	0	0	5	9	17	31	31			
WHITE FEMALE	0	0	2	4	22	28	28			
PEOPLE WITH DISABILITIES	19	0	0	2	2	4	-15			
YOUTH	1149	0	487	174	637	1298	149			
NON SA-CITIZENS	192	0	0	3	2	5	-187			
4.2.1 LEARNERSHIPS UNEMPLOYED CERTIFICATED	250	213	188	109	288	798	548	319%	203	85
BLACK MALE	115	69	60	44	123	296	181			
BLACK FEMALE	135	143	124	65	164	496	361			
WHITE MALE	0	1	1	0	1	3	3			
WHITE FEMALE	0	0	3	0	0	3	3			
PEOPLE WITH DISABILITIES	3	18	0	0	1	19	17			
YOUTH	150	201	165	101	268	735	585			
NON SA-CITIZENS	25	0	0	0	0	0	-25			
4.2.1 BURSARY UNEMPLOYED CERTIFICATED	215	0	1	0	210	211	-4	98%	210	0
BLACK MALE	99	0	0	0	61	61	-38			
BLACK FEMALE	116	0	1	0	122	123	7			
WHITE MALE	0	0	0	0	6	6	6			
WHITE FEMALE	0	0	0	0	21	21	21			
PEOPLE WITH DISABILITIES	2	0	0	0	0	0	-2			
YOUTH	129	0	1	0	188	189	60			
NON SA-CITIZENS	22	0	0	0	0	0	-22			

A consolidated summary of the Quarterly Monitoring Report 2013/14

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
4.2.1 INTERNSHIPS UNEMPLOYED CERTIFICATED	80	5	66	4	32	107	27	134%	32	0
BLACK MALE	37	3	33	1	7	44	7			
BLACK FEMALE	43	2	23	3	25	53	10			
WHITE MALE	0	0	2	0	0	2	2			
WHITE FEMALE	0	0	8	0	0	8	8			
PEOPLE WITH DISABILITIES	1	0	0	0	0	0	-1			
YOUTH	48	5	61	4	32	102	54			
NON SA-CITIZENS	8	0	0	0	0	0	-8			
4.2.1 SKILLS PROGRAMMES UNEMPLOYED	480	472	450	602	477	2001	1521	417%	0	477
BLACK MALE	221	229	147	209	156	741	520			
BLACK FEMALE	259	213	250	333	240	1036	777			
WHITE MALE	0	24	34	41	53	152	152			
WHITE FEMALE	0	6	19	19	28	72	72			
PEOPLE WITH DISABILITIES	5	1	2	2	1	6	1			
YOUTH	288	361	303	420	339	1423	1135			
NON SA-CITIZENS	48	3	8	4	11	26	-22			
4.2.1 TOTAL UNEMPLOYED CERTIFICATED	1025	690	705	715	1007	3117	2092	304%		
BLACK MALE	472	0	240	254	347	841	370			
BLACK FEMALE	554	0	398	401	551	1350	797			
WHITE MALE	0	0	37	41	60	138	138			
WHITE FEMALE	0	0	30	19	49	98	98			
PEOPLE WITH DISABILITIES	10	0	2	2	2	6	-4			
YOUTH	615	0	530	525	827	1882	1267			
NON SA-CITIZENS	103	0	8	4	11	23	-80			
4.2.2 TOTAL ARTISAN WORKERS ENTERED	53	0	37	13	0	50	-3	94%	0	0
BLACK MALE	24	0	15	6	0	21	-3			
BLACK FEMALE	29	0	17	6	0	23	-6			
WHITE MALE	0	0	2	0	0	2	2			

A consolidated summary of the Quarterly Monitoring Report 2013/14

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
WHITE FEMALE	0	0	3	1	0	4	4			
PEOPLE WITH DISABILITIES	1	0	0	0	0	0	-1			
YOUTH	32	0	27	8	0	35	3			
NON SA-CITIZENS	5	0	0	0	0	0	-5			
4.2.2 TOTAL ARTISAN WORKERS CERTIFICATED	27	0	0	0	0	0	-27	0%	0	0
BLACK MALE	12	0	0	0	0	0	-12			
BLACK FEMALE	15	0	0	0	0	0	-15			
WHITE MALE	0	0	0	0	0	0	0			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	0	0	0	0	0	0	0			
YOUTH	16	0	0	0	0	0	-16			
NON SA-CITIZENS	3	0	0	0	0	0	-3			
4.2.2 TOTAL ARTISAN UNEMPLOYED ENTERED	51	56	0	19	0	75	24	147%	0	0
BLACK MALE	23	28	0	4	0	32	9			
BLACK FEMALE	28	28	0	15	0	43	15			
WHITE MALE	0	0	0	0	0	0	0			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	1	0	0	0	0	0	-1			
YOUTH	31	56	0	15	0	71	40			
NON SA-CITIZENS	5	0	0	0	0	0	-5			
4.2.2 ARTISANS UNEMPLOYED CERTIFICATED	26	0	0	0	9	9	-17	35%	9	0
BLACK MALE	12	0	0	0	3	3	-9			
BLACK FEMALE	14	0	0	0	6	6	-8			
WHITE MALE	0	0	0	0	0	0	0			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	0	0	0	0	0	0	0			
YOUTH	16	0	0	0	9	9	-7			
NON SA-CITIZENS	3	0	0	0	0	0	-3			
4.2.3 WORKPLACE EXPERIENCE	1500	0	0	0	689	689	-811	46%	689	0

2013/ 2014 CONSOLIDATED COVER PAGE FOR QMR4 REPORTING									Fully CATHSSETA Funded Q4	Partially CATHSSETA Funded Q4
GOALS / OUTCOME / OUTPUTS	TARGET	Q1	Q2	Q3	Q4	TOTAL	VARIABLE	% ACHIEVED		
BLACK MALE	690	0	0	0	198	198	-492			
BLACK FEMALE	810	0	0	0	479	479	-331			
WHITE MALE	0	0	0	0	5	5	5			
WHITE FEMALE	0	0	0	0	7	7	7			
PEOPLE WITH DISABILITIES	15	0	0	0	1	1	-14			
YOUTH	900	0	0	0	676	676	-224			
NON SA-CITIZENS	150	0	0	0	0	0	-150			
4.3.2 FET COLLEGE PARTNERSHIPS	31	44	0	0	0	44	13	142%	0	0
4.4. AET PROGRAMMES ENTERED	40	0	0	0	18	18	-22	45%	18	0
BLACK MALE	18	0	0	0	13	13	-5			
BLACK FEMALE	22	0	0	0	6	6	-16			
WHITE MALE	0	0	0	0	0	0	0			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	0	0	0	0	0	0	0			
YOUTH	24	0	0	0	9	9	-15			
NON SA-CITIZENS	4	0	0	0	0	0	-4			
4.4. AET PROGRAMMES CERTIFICATED	20	18	0	0	0	18	-2	90%	0	0
BLACK MALE	9	12	0	0	0	12	3			
BLACK FEMALE	11	6	0	0	0	6	-5			
WHITE MALE	0	0	0	0	0	0	0			
WHITE FEMALE	0	0	0	0	0	0	0			
PEOPLE WITH DISABILITIES	0	0	0	0	0	0	0			
YOUTH	12	1	0	0	0	1	-11			
NON SA-CITIZENS	2	0	0	0	0	0	-2			
4.6.1 CO-OPERATIVES	7	0	0	0	0	0	-7	0%	0	0
4.6.2 SMALL BUSINESS SUPPORT	2750	303	0	830	130	1263	-1487	46%	1263	0
4.6.3 NGO, CBO, NLPE & TRADE UNIONS	25	0	0	0	0	0	-25	0%	0	0
NGO	3	0	0	0		0	-3	0	0	0
CBO	13	0	0	0		0	-13	0	0	0



PART C: GOVERNANCE

INTRODUCTION

The Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) is a juristic body governed by the CATHSSETA constitution, the Skills Development Act 97 of 1998, the Skills Development Levies Act 9 of 1999, the SAQA Act 58 of 1995, the Public Finance Management Act of 1999 (as amended), the Treasury Regulations and the King III Report.

CATHSSETA promotes the development of skills and training in the Culture, Arts, Tourism, Hospitality and Sports sectors. The SETA's scope of coverage is determined by the Minister of Higher Education and Training in accordance with the Skills Development Act.

CATHSSETA is led by a board that is responsible for enforcing corporate governance as well as providing strategic direction to the organisation.

The CATHSSETA board comprises of fifteen members and one ex-officio member, the Chief Executive Officer.

The fiduciary duties of the board are underpinned by the principles of good corporate governance, supported by structures and processes that are in compliance with legislation governing the mandate bestowed on CATHSSETA.

In fulfilling its mandate and to achieve the objectives of the National Skills Development Strategy (NSDS) III, CATHSSETA subscribes to the principles contained in the Code of Good Corporate Practice set out in the King III Report.

EXECUTIVE AUTHORITY

CATHSSETA is a schedule 3A Public Entity reporting to the Department of Higher Education and Training. The Minister of Higher Education and Training is the SETA Executive Authority.

During the year under review, SETAs saw the introduction of the new SETA Grant Regulations, which came into effect on 1 April 2013. A detailed account on the introduced changes and the implications thereof is contained on page 8 of this report under Legislative and other Mandates.

CATHSSETA BOARD

The CATHSSETA board is the highest decision-making structure in the organisation. The roles and functions of the board include the provisions of strategic direction, ensuring effective internal controls, proper governance, accountability, compliance with statutory requirements, management of institutional risk, liaison with stakeholders and the establishment of relevant sub-committees and chamber committees to assist the board to realise the mandate of CATHSSETA.

The board further monitors the performance of the organisation through the performance information report and the review of strategic plans.

In line with the CATHSSETA Constitution, the board comprises of fifteen members who serve on a non-executive and independent capacity.

The board chairperson and two other members are ministerial appointees. In compliance with the Skills Development Act 97 of 1998 (the Act), CATHSSETA's business is largely driven by its stakeholders.

To this end, the organisation is required to have representation from strategic sector-related stakeholders as follows:

- Three (3) organised business representatives
- Three (3) organised labour representatives
- Five (5) government department representatives
- One (1) bargaining council representative
- Three (3) ministerial appointees

CATHSSETA BOARD

In October 2012 following changes to the SETAs' landscape; the Department of Higher Education and Training (DHET) released a new SETA Model Constitution.

In keeping to its mandate, CATHSSETA elected to deviate from the model constitution in terms of its Accounting Authority composition. The model constitution outlines the board representation to be as follows:

- Six (6) employers
- Six (6) Labour representatives and
- Three (3) Ministerial appointees

The deviation on CATHSSETA's board composition has reduced employers and organised labour representation to three individuals as opposed to six in order to accommodate five government line departments and the bargaining council.

CATHSSETA's board roles and responsibilities (detailed below) are outlined in the CATHSSETA Constitution.

COMPOSITION OF THE BOARD

The board and board committee meetings are held quarterly basis to deliberate on strategic issues, take decision and monitor CATHSSETA's progress in relation to its mandate and performance plans.

During the year under review the board held a strategic session with CATHSSETA's management in June 2013. Below is a schedule of board meetings and attendance for the 2013-14 financial year.

DUTIES OF THE ACCOUNTING AUTHORITY

The Accounting Authority must:

- Govern and manage the SETA in accordance with the PFMA, the Act and any other applicable legislation
- Provide effective leadership to ensure that, the SETA implements the goals of the NSDS III and the Performance Agreement with the Minister,
- Provide strategic direction for the SETA,
- Liaise with stakeholders,
- Ensure that the SETA complies with the relevant statutory requirements of its Constitution
- Manage institutional risk,
- Monitor the performance of the SETA and
- Ensure that its members and the members of the established committees, comply with the Code of Conduct as contained in the CATHSSETA Constitution

POWERS OF THE ACCOUNTING AUTHORITY

The Accounting Authority may:

- Exercise all the powers necessary in order to enable it to perform its functions in terms of the Act, its constitution and any other relevant legislation
- Exercise any other powers conferred on it by the Act, the PFMA, the SDLA, any other relevant legislation and its constitution
- Take decisions on any matter related to the performance of its functions in terms of the Act and its Constitution
- Establish committees of the SETA to assist it in performing its functions, and
- Establish chambers of the SETA as contemplated in Section 12 of the Act



Chairman
Brenda Madumise



Joseph Maqhekeni



Sheila Sekhitla



Sumayya Khan



Thabo Mahlangu



Fihliwe Nkomo



Glenn-Ujebe Masokoane



Thomas Mathiba



Sibongile
Simelane-Quntana



Rita Watson



Brian Magqaza



Judy Malqueeny



Caroline Rakgotsoka



Kentse Makgae

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Number of meetings attended
Advocate Brenda Madumise	Chairperson	01/04/2011	N/A	18/19
Mr. Joseph Madhekeni	Organised Labour	01/04/2011	N/A	10/19
Ms. Judy Mulqueeny	Ministerial Appointee	01/04/2011	N/A	9/19
Ms. Margarita Wilson	Organised Business	01/04/2011	N/A	14/19
Ms. Sheila Sekitla	Ministerial Appointee	01/04/2011	N/A	16/19
Ms. Kentse Makgae	Organised Business	01/04/2011	N/A	14/19
Ms. Caroline Rakgotsoka	Organised Labour	01/04/2011	N/A	12/19
Ms. Fihliwe Nkomo	Organised Business	01/04/2011	N/A	11/19
Mr. Thabo Mahlangu	Organised Labour	01/04/2011	N/A	17/19
Mr. Brian Magqaza	BCRAT	01/04/2011	N/A	15/19
Ms. Leonore Beukes	Government	01/06/2012	N/A	5/19
* Ms. Sibongile Simelane Quntana	Government	01/06/2012	27/01/2014	Provide data
Mr. Thomas Mathiba	Government	01/06/2012	N/A	6/19
Mr. Glen-Ujebe Masokoane	Government	01/06/2012	N/A	10/19
Ms. Sumayya Khan	Government	01/04/2011	N/A	11/19
* Mr Mhlanganisi Masoga	Government	27/01/2014	N/A	1/19

*Ms. Sibongile Simelane Quntana resigned from the board and assumed her position as the organisation's COO following her appointment on 01 June 2014

*Mr. Mhlanganisi Masoga joined the CATHSSETA board to represent the DTI following the resignation of Ms. Sibongile Simelane Quntana from the DTI and the board.

BOARD COMMITTEE

Executive Committee- Chaired by Advocate Brenda Madumise

Executive Committee Meeting attendance for the financial year 2013-2014

EXCO Meeting Attendance 2013/2014													
	First Name	Last Name	Organisation	03/04/2013	20/05/2013	23/05/2013	13/08/2013	08/10/2013	08/11/2013	21/11/2013	22/11/2013	27/03/2014	Total No attended
1	Brenda	Madumise	Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9
2	Sheila	Sekhitla	Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9
3	Fihliwe	Nkomo	FEDHASA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9
4	Thabo	Mahlangu	SACCAWU	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9

AUDIT COMMITTEES

Chaired by Mr. John Davis

Audit Committee meeting attendance for the financial year 2013-2014

EXCO Meeting Attendance 2013/2014													
	First Name	Last Name	Organisation	03/04/2013	20/05/2013	23/05/2013	13/08/2013	08/10/2013	08/11/2013	21/11/2013	22/11/2013	27/03/2014	Total No attended
1	John	Davis	Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9
2	Margarita	Wilson	CATRA	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	8/9
3	Joseph	Maqhekeni	NACTU	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	7/9
4	Fay	Mukaddam	Independent	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	5/9
5	*Siphelele	Madikizela	Independent	N/A	Yes	No	No	Yes	Yes	No	Yes	No	4/9

**Ms. Siphelele Madikizela was appointed in this financial year following the resignation of Mr. Mike Mohohlo in the previous financial year
A detailed report of the Audit Committee is contained in Block E under the Financial Information section of this report*

FINANCE COMMITTEE

Chaired by Mr. Thabo Mahlangu

Finance Committee meeting attendance for the financial year 2013-2014

Finance Committee Meeting Attendance 2013/2014								
	First Name	Last Name	Organisation	16/05/2013	05/07/2013	01/11/2013	10/02/2014	Total No attended
1	Thabo	Mahlangu	SACCAWU	Yes	Yes	Yes	Yes	4/4
2	Sheila	Sekhitla	Independent	Yes	Yes	Yes	Yes	4/4
3	Fihliwe	Nkomo	FEDHASA	Yes	Yes	Yes	Yes	4/4

GOVERNANCE AND STRATEGY COMMITTEE

Chaired by Mr. Brian Magqaza

The Governance and Strategy committee meeting attendance for the financial year 2013-2014

Governance and Strategy Committee Meeting Attendance 2013/2014									
	First Name	Last Name	Organisation	22/04/2013	23/07/2013	24/10/2013	05/11/2013	04/03/2014	Total No attended
1	Brian	Magqaza	BCRCAT	Yes	Yes	Yes	Yes	Yes	5/5
2	Kentse	Makgae	NAFCOC	Yes	Yes	Yes	Yes	Yes	5/5
3	Caroline	Rakgotsoka	HOTELICCA	Yes	Yes	Yes	Yes	Yes	5/5

HR AND REMUNERATION COMMITTEE

Chaired by Ms. Caroline Rakgotsoka

The HR and Remuneration Committee meeting schedule attendance for the financial year 2013-2014

HR and Remuneration Committee Meeting Attendance 2013/2014							
First Name	Last Name	22/04/2013	23/07/2013	24/10/2013	05/11/2013	04/03/2014	Total No attended
Caroline	Rakgotsoka	Yes	Yes	Yes	Yes	Yes	5/5
Kentse	Makgae	Yes	Yes	No	Yes	No	3/5
Brenda	Madumise	Yes	Yes	Yes	Yes	Yes	5/5
Thandiwe	Ngqobe	Yes	Yes	Yes	Yes	Yes	5/5
Rashied	Essop	Yes	Yes	Yes	Yes	No	4/5

REMUNERATION OF BOARD MEMBERS

The remuneration of board members is determined by the Minister of Higher Education and Training in consultation with the circular issued by the National Treasury on remuneration tariffs for office bearers.

A detailed account of CATHSSETA board and committee members is contained in the Finance Section of this report. Members of the board representing government departments are not remunerated, but rather apprised by the board to their respective employers for meetings attended.

RISK MANAGEMENT

11.1. Anonymous corruption tip-off line

CATHSSETA has introduced a fraud and corruption policy which staff was inducted on in the previous financial year. In keeping up with the Whistle-blowing Act, and to promote transparency and ethical conduct, CATHSSETA has an anonymous tip off line which staff is encouraged to make use of in the event of any suspected corruption and/or wrong doing.

11.2. Minimising conflict of interest

CATHSSETA staff and the members of the board sign an annual register on declaration of interest. Furthermore, all board members, committee members and management are required to further declare any interests at various meetings they partake in.

11.3. Code of conduct

CATHSSETA's code of conduct is contained in the SETA's constitution. The organisation has developed and published a guide to all board members and executive management outlining corporate governance, the role of the board and audit committee including self assessment toolkits for all committees. The board further adheres to and is guided by the King Report III of 2009.

11.4. Health, safety and environmental issues

CATHSSETA has an employee wellness programme to see to the health needs of all its employees. Furthermore, processes are in place for purposes of safety drills and the associated protocol to be effected in the event of an emergency evacuation.



PART D
**HUMAN RESOURCES
MANAGEMENT**

INTRODUCTION

Our people are critical to the achievement of our strategic objectives – their energy, vision, commitment and intellectual capital drive growth, innovation and performance. Many of the business-critical skills we require are in short supply and we recognise the importance of attracting, developing, rewarding and retaining the best people to deliver on business goals.

It was an interesting, exciting, challenging and certainly an eventful 2013/14 for the CATHSSETA staff in relation to Human Resources activities. This year the department embarked on a journey which saw the dissolution of the Project Management Office into the mainstream CATHSSETA operations as a means of enhancing performance.

This report is a reflection upon some of our key activities for the 2012–2013 fiscal year and provides an opportunity for us to share our achievements, recognise where we need to further advance our efforts, and provide insight into where we are going as a department. The CATHSSETA's Human Resources (HR) Department is tasked with providing a fair, equitable and productive working environment for all its employees.

This report covers the HR and related activities during the 2013–2014 financial year and will cover but not be limited to aspects relating to staff complement, performance management, HR systems, training and development and labour relations.

VALUE OF HUMAN RESOURCES

CATHSSETA HR strives to reposition its strategy from being an administrative unit to a professional value-added service partner. Best practices show that the HR profession has progressively moved towards 'customer focus' and plays a more strategic role in organisations.

To achieve this, CATHSSETA HR shall be looking on;

- Being a leading employer of choice
- Being an excellent employer,
- Employee inputs into the success of the organisation,
- The existing barriers in moving towards a more strategic role,
- The disconnection in HR planning processes from the main business planning and objectives setting and
- The lack of line manager accountability for talent and people issues.

As at 31 March 2014, CATHSSETA had 76 employees employed on a full term basis aligned to the SETA's operating license.

Whilst CATHSSETA's equity statistics are considered reasonable, there is a need to increase the employment of people with disabilities as well as increase the percentage of women in senior management positions.

The services of 21 temporary staff for various assignments not exceeding a period of three (3) months at any given time, were also sourced throughout the financial year under review.

HUMAN RESOURCES PRIORITIES FOR THE YEAR UNDER REVIEW

Without any doubt our human resources priorities are synchronised to our Strategic Plan, which filters through to the Annual Performance. Our focus was on transformation, recruitment, talent management, learning and development ethics and HR Information System (HRIS).

Transformation: moving from employment equity drivers to a culture of inclusivity. We have managed to encourage interdepartmental dependencies in order to strengthen an inclusive culture through continuous employee engagements and focus on enhancing CATHSSETA employment equity status.

Recruitment: We improved on the turnaround for the filling of approved vacant positions, within the specified time period.

Talent management: We have set a base to improve the talent pipeline and establish a succession plan in order to streamline the recruitment process and building a strong internal recruitment capability.

Learning and development: We have shifted the focus from compliance-driven learning to skills-driven learning by encouraging and supporting employee development through our training needs analysis and personal development plans.

Ethics: We introduced and maintained an ethical conduct that is self monitoring.

HRIS: Set controls and laid down procedures on all applicable HRIS in order to ensure a smooth future integration of the payroll system with the finance systems.

STAFF PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RETAIN

There was a continued focus on the review of the organisational structure, with the view of ensuring optimal utilisation of skills. As a product of the Organisational Development (OD) a new organisational structure was created and approved.

This organisational re-design resulted in absorbing the ex PMO structure and also creating twenty additional positions.

As identified in the HR policy's retention strategy, resourcing is key to the CATHSSETA's success and it is essential that we recruit and retain high performing staff.

In order to address recruitment and retention in areas where we know we have difficulty recruiting over the next 12 months we look at succession planning and internal progression (growing our own) and plan how we can develop some of our existing staff so when vacancies occur for difficult to fill jobs we have the necessary skills available in house.

One way we are looking at doing this is by rolling out an internal management development training programme which will give relevant staff the opportunity to increase skills in areas such as staff management and finance so that if promotional opportunities arise they are equipped with the relevant skills.

Structurally CATHSSETA underwent an organisational design change. This was informed by the need to utilise all our Human Resources efficiently in alignment to our business goals.

During this change, staff communication became the most information sharing tool to keep our staff abreast of new developments and to understand where the business is going.

Monthly meetings addressed by the CEO and management, ensured direct engagements with all staff members.

All positions resulting from the changes in the structure were advertised as per the HR policy to reinforce the new mode of operating efficiently and towards the business goal.

HUMAN RESOURCE OVERSIGHT

Taking into account the Human Resources and REMCO's primary responsibility of reviewing, monitoring, and making recommendations to the Board on matters of governance and strategic importance related to human resources, the CATHSSETA's Human Resources (HR) Department is tasked with providing a fair, equitable and productive working environment for all its employees.

The HR and Remco's main and related activities during the 2013-2014 financial year were around, but not limited to aspects relating to OD, HR systems, Performance Management, Training and Development and Labour Relations.

Personnel Cost by activity

Activity	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)
Administration	32 726	13 373	40.86%	97	138
Mandatory Grants	48 155	548	1.14%	2	274
Discretionary Grants and Projects	169 727	12 347	7.27%	97	127
	250 608	26 268	10.48%	97	271

Activity	Note to Financial Statements
Administration	Disclosed in AFS under note 8.1
Mandatory Grants	Disclosed as part of salary expenses under note 8.1
Discretionary Grants and Projects	Disclosed as part of expenses in Note 7

Performance Rewards

Bonus payouts amounted to R1.8m paid in December 2012 and due to realignment of the bonus period to the financial year. As a result no bonuses were paid out in the year under review 2013/14.

ORGANISATIONAL DEVELOPMENT

The implementation of the recommendations of the approved OD exercise have been effected without any job losses and with more streamlined resources that promotes teamwork, performance and efficiency.

Likewise, respective performance contracts in line with the new OD roles will confirm the new structure and related functional roles. CATHSSETA staff is looking forward to the new era and anticipate best results as a result of this restructuring.

HUMAN RESOURCES INFORMATION SYSTEMS

The CATHSSETA's automated human resources system is undergoing augmentation to include data modules and will be used to report on Job Management, Employee Management, Performance Management, Skills Development Management, Employment Equity Management, Recruitment Management and Salary Surveys.

The reports to be generated will be available in various summary, grid analyses, gap analysis and graphs. This will result in a one-stop 360 degrees HR reporting system.

The upgrades on the system will be fully functional during the next financial year.

PERFORMANCE MANAGEMENT FRAMEWORK

In the past CATHSSETA's performance management was implemented in line with the calendar year. However, at the conclusion of the previous financial year a decision was reached to restructure this process and align the CATHSSETA's performance management system to the financial year calendar, i.e. from 01 April-31 March.

For the year under review, the Performance Management policy and procedures have been amended and are aligned to the change, with bi-annual performance reviews. The first reviews under this system were for the period April to September and the final for October to March.

Following these performance review appraisals, recommendations were submitted to the HR and Remuneration Committee as well as the board for consideration and ratification. Please refer to the table on bonuses for a detailed breakdown on performance appraisals awarded.

CATHSSETA encourages a supportive and fair process in conducting performance appraisals. To this end the HR department remains the driver behind the performance management processes and ensures that all Line Managers are trained on how to conduct performance appraisals in a manner that will ultimately motivate subordinates to do better towards the realisation of the organisational mandate.

The review / assessment reflect the level of performance of staff and further provide valuable information on development needs and possible career advancement. Staff are also rewarded by way of a performance bonus for excellent and above average performance in their respective departments and in line with the performance rewards system.

EXPENDITURE

Human Resources expenditure accounts for a larger percentage of CATHSSETA's operational costs, of which the salaries and benefits to employees remains the major contributor.

Whilst we are a growing organisation with strategic HR initiatives to enhance and maintain the expected standards of performance the related expenses are bound to increase proportionally as well. It remains HR's duty to still expend within the confines of various regulations in particular the PFMA.

Other HR related cost items are recruitment, training and development HRIS and HR Services.

Table 1, HR Payroll related expenditure

Payroll Expenditure		
Average Personnel Cost per Employee	0.57%	R 208 745.98
Training Expenditure	1.99%	R 732 429.10
Salaries	72.64%	R 26 681 788.74
Overtime	0.15%	R 56 777.82
Medical Aid Contribution	2.43%	R 893 853.00
Pension Contribution	4.55%	R 1 672 517.57
Annual Bonus	0	R 0.00
Substantive Travel	0.94%	R 346 220.16
Statutory Levies	PAYE	15.41%
	UIF	0.75%
	Skill	0.74%
Leave Gratuities	0.37%	R 137 568.09
Totals	100%	R 36 730 407.87

The following are notes that explain each of the listed expense items in the above table.

The following are notes that explain each of the listed expense items in the above table.

AVERAGE PERSONNEL COST

It is based on the cost of the human capital employment (full time employees and Temps) over the period under review. The 76 FTE + 20 temps employed within the 2013/14 financial year cost on average R208 745.90 which amounts to 0.5% of the payroll expenditure.

TRAINING AND DEVELOPMENT COST

The cost of approved bursaries and training amounted to R 732 429.10 and close to the target percentage set at 2%. The training cost reached 1.99% of the salaries cost.

SALARIES

The annual general increases were approved for staff at 6.9%, except for 22 employees identified as overpaid and only received 2.33% increase.

The salary expenditure increased from R 21,9m in 2012/13 to R26.6m in the year under review, mainly due to salary increases and new appointments of staff members in vacant positions and as per the new approved structure.

OVERTIME

Overtime expenditure increased from R 2 880.41 in 2012/13 to R 56 777.82 in the last reporting period. Overtime as a percentage of personnel cost was at 0.15% for the year under reviews. Overtime is only used when required or due to unforeseen circumstances.

EMPLOYMENT AND VACANCIES

APPOINTMENTS AND VACANCIES

Identified vacancies were internally advertised as per the policy. In March 2013 CATHSSETA ran an advert for the Chief Operating Officer, and in April 2013 three (3) Management positions were also advertised, i.e. HR, Supply Chain, Finance, and Stakeholder Relations. All positions were filled in the same financial year under review. The table below reflect all fixed term appointments made, from internally and externally. Although there are 20 appointments in total for the year under review, only seven (7) of them are from external recruitment.

The rest resulted out of the internal restructuring concluded in the year under review. Table 3 below sums the total appointments.

Occupational Levels	Male				Female				Foreign Nats		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1				1						1
Senior Management	3										3
Middle Management					7						7
Junior Management			1		1						2
Other					6						7
Total Permanent											0
Temporary Employees											0
Grand Totals	4	0	1	0	15	0	0	0	0	0	20

Table 3: Fixed Term Employment (FTE) appointment

During the year under review, ad-hoc and urgent functions had to be carried out and necessitated urgent intervention by Human Resources. Through our partnership with accredited recruitment agencies CATHSSETA was able to resource the ad-hoc functions with the following temporary assignments across the whole of the organisation, as in Table 4 below.

Department	Position	Qty	EE
Communications	Public Relations	1	Other
ETQA	Learnership Administrator	2	Other
PMO	Project Administrator	3	Other
Project Management Office	Project Administrator	1	Other
Corporate Services	Assistant to Board Secretary	1	Junior
Corporate Services	Records Management Clerk	1	Other
SDPR	Chamber Administrator	1	Other
ETQA	Learnership Administrator	3	Other
SDPR	Reprioritisation Project Administrators	4	Other
Finance	Commitment Data Base	1	Other
Finance	Asset Verification Clerks	3	Junior
Corporate Services	Executive Assistant	3	Junior

Table 3 Temporary assignments

Terminations

Terminations of Fixed Term Employees (FTE)

Much as CATHSSETA strives to retain skilled talent, we experienced voluntary and involuntary termination based on reasons ranging between resignation and misconduct. However the terminations feedback is captured in the exit interviews which contain valuable information for use in strengthening our retention strategies. Worth noting is that we only had two misconduct related dismissals. The table below summarises the terminations.

Reasons	Permanent	Fixed-Term	Total Termination	% Total
Resignation	0	5	5	5%
Expiry of contract	0	0	0	0%
Dismissal: Operational	0	0	0	0%
Dismissal: Misconduct	0	2	2	3%
Dismissal: Ill-Health	0	0	0	0%
Other	0	0	0	0%

Table 5, Fixed Term Employment Terminations

JOB EVALUATION

No job evaluations were conducted during the year under review. In compliance to the human resources policy on job evaluations, the next evaluations will be conducted in the 2015/16.

EMPLOYMENT CHANGES

HR recognises the need to adhere to the regulations and instructions from the DHET and other principal authorities.

Of note is the alignment of all our FTE contracts of employment to be as per the duration of the SETA's licence. Although this is not achieved totally with the current staff, engagements are on going until we achieve total compliance with this order.

PROMOTIONS

Employees who display good performance and are ready to take up new and additional changes get rewarded by appointments into higher positions. These promotions were conducted within the recruitment policies framework, staff retention strategies and transformation. All movements are in the ratio 3:1 African females to males.

Group	Gender	Former Position	New Position
African	Female	PA to SDPR Manager	Payroll Administrator
African	Female	Chamber Co-coordinator: Travel	Chamber Manager: Travel
African	Male	Assistant Accountant Projects	Accountant
African	Female	FET Project Administrator	PA to SDPR Manager

Table 6, Total number of staff members promoted, 1 April 2013 to 31 March 2014

EMPLOYMENT EQUITY

CATHSSETA is aware about employment equity issues. Although females make up more than 60% of the total compliment, the main challenge is to ensure their movement or appointments into the senior managerial levels.

Appointment of the physically challenged employees shall be implemented in the following financial year. The table below outlines the staff compliment and the employment equity profile of CATHSSETA for the 2013/14 financial year.

Occupational Levels	Male				Female				Foreign Nats		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1			1	1						3
Senior Management	5	1			2						8
Middle Management				1	8	1					10
Junior Management	6				7	2	1				18
Other	6		1		29		1	2	0	0	37
Total Permanent	18	1	1	2	47	3	2	2			76
Temporary Employees	6				13	1	1		0	0	21
Grand Totals	24	1	1	2	60	4	3	2	0	0	97

Table 7, Employment equity status

UTILISATION FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2-14

SICK LEAVE

During 2013/14, only 2 members of staff were on long term sickness absence (14 working days +) and have now fully recovered and are back at work. The absence cost CATHSSETA on average 60 man days lost. No medical incapacitations were reported

No of Staff	Total Days taken per year	Average days taken per year	Cost of sick leave Taken this year
76	310	4	R 51 176.43

ANNUAL LEAVE

The annual leave liability is R1.1m in 2012 and increased to R1.35m in 2013 It is also reported under the “trade and other payable” detail contained in the Annual Financial Statements on part E of this report.

No of Staff	Total Days taken per year	Average days taken per year	Cost of sick leave Taken this year
76	1027	13.51	R 15 447.61

UTILISATION FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2-14

SPECIAL LEAVE

During the reporting period, leave was granted for maternity, paternity, family responsibility, compassionate, religious and study leave.

LABOUR RELATIONS

CATHSSETA recognises that every employee is entitled to fair labour practices, has the right to his/her dignity and has the right to privacy. A range of HR policies affirm CATHSSETA's commitment to recognising an employee's rights and to provide procedures that protect such rights.

CATHSSETA is striving to foster strong relationships with relevant role players such as the employee unions to ensure that employees' interests are respected and protected. The only trade union seeking organisational rights did not pursue the matter under the guidance of the CCMA. However, CATHSSETA remains open for any employee representative organisation as prescribed in the Labour Relations Act. Union membership statistics have remained at 13% in the year under review.

We play an essential role in developing, reviewing and administering CATHSSETA-wide policy in the area of people development and employment practices and have renewed our focus in this area to ensure our clients, internally and externally have the information they need to make decisions in a productive environment.

Labour relations remained relatively stable in the year under review. Only two (2) dismissals were referred to the CCMA, and the cases were adjudicated to an amicable settlement during the year under review. The following tables are a snapshot of Disciplinary and Grievance cases handled during the year under review. The two staff members remain dismissed and the cases are off the CCMA roll.

Male				Female				Outcome
A	C	I	W	A	C	I	W	
1				1				Dismissal
				1				Final Written Warning
1				2				Written Warning
2	0	0	0	0	0	0	0	

A total of three grievances were raised and heard in the year 2013/14, one of which was a collective or group grievance. All were settled amicably and in particular the group grievance recommendations were implemented. There is a clear pattern of grievances being raised by members of staff who are attempting to counteract other issues arising in their employment, such as manager-subordinate relations or a disciplinary investigation.

The grievance cases are summarised in the table below.

Nature of Grievance	Grievance Laid	Against	Result
Unprofessional Conduct	1 (Group 5)	1 (EXCO)	Resolved
Victimisation and Abuse	1	1	Resolved
Defamation of Character	1	1	Resolved
Total Aggrieved	3	3	All Resolved

Table 9, Grievance statistics

Fostering healthy and mutually beneficial relationships with its employees is central to CATHSSETA's ambition of becoming a more people-centred organisation. Annually, staff participate in the climate surveys to gauge employee engagement levels and perceptions about their work environment. Insights gained from this survey are used to guide and prioritise employee engagement and human resources initiatives.

In the year under review almost 30% of CATHSSETA's employees, including the FET College based staff, participated in the 2013/14 survey. This is the only beginning and with confidence the participation rate will reach 50% in the next annual survey.

SKILLS DEVELOPMENT

CATHSSETA is committed to promoting a learning culture which enables employees to develop and grow to reach their full potential. CATHSSETA spent R732,439.10 on learning activities in 2013/14, of which more than 90% was spent on historically disadvantaged individuals.

This equates to 2.7% of leviable payroll spend, meeting the target set by the Skills Development Act. More than 60% of staff, and predominantly females, underwent training and or development as depicted in the table below.

Staff Training & Development	Male	Female	Cost (R)
Total Training and Business Cost	16	43	732439.1

Table 10, Snapshot of training and development

LEARNING AND DEVELOPMENT

Emphasis was placed on training in line with CATHSSETA's strategic priorities and risk management that would support the organisation in achieving its objectives. During the period under review there was continued training in the fields Public Relations and Communications, Finance, Supply Chain and Human Resources.

Occupational Levels	Male				Female				Foreign Nats	
	A	C	I	W	A	C	I	W	Male	Female
Top Management	2									
Senior Management	3				2					
Middle Management	2				16	1				
Junior Management	1				7					
Other	2				2				0	0
Total Permanent	11	0	0	0	27	1	0	0		

Table 11, CATHSSETA initiated training

Course	Male	Female	Cost
Fundamentals of Project Management		1	8 900.00
Events Planning		1	6 137.00
Accounting	1		8 670.70
Accounting		1	7 957.00
B Com in Marketing		1	21 680.00
Masters in Business Administration	1		65 000.00
Post Graduate Diploma in Management		1	31 812.00
Masters in Business Leadership	1		38 469.00
Journalism for Communication		1	5 000.00
Master of Management	1		37 500.00
Management Advancement Programme		1	47 700.00
Management Advancement Programme	1		47 700.00
Supply Management		1	8 718.00
Supply Management		1	8 718.00
Masters in Education		1	3 490.00
ETDP Practices		1	18 782.00
Industrial Psychology		1	14 430.00
Programme in Human Resources Management		1	6 160.00
Bcom Honors in Economics		1	39 035.00
	5	14	425 858.70

Table 11, Employee development

TRAINING OPPORTUNITIES

The table below is an illustration of the training interventions to a number of CATHSSETA staff members who are advancing their skills and knowledge for career development and performance enhancement, and thus capacitating our internal recruitment pool.

Course	Male	Female	Cost
Bids Committee Workshop	1	1	19 980.00
Spectacular Training & Conference - IFRS Workshop	1	1	11 377.20
Spectacular Training & Conference - IFRS Workshop	1	1	2 280.00
BMK Advanced Corporate Training		1	7 999.00
ACI Datacom-Training for telephone conference		1	478.80
Chartered Secretaries - Corporate Governance		1	4 332.00
Payroll Training		2	3 180.60
TSK Training & Conference		2	8 538.60
Continuing Education at the UP	1		8 200.00
The Conference HUB		2	17 998.00
Grey Matters - Leadership Coaching	1		129 196.20
Contract Management	3	9	46 020.00
Report Writing Skills	3	8	47 000.00
	11	29	306 580.40

Table 13, Capacity related training

EMPLOYEE WELLNESS

As a department, we are committed to doing our part through policy, wellness initiatives and wellness promotion and we continue to lead a host of wellness and health initiatives to help our employees achieve success with their goals. For the 2013/14 we continued with our external partner on Employee Assistance Programme (EAP) to provide fortnightly consultation with our employees on site. On average a minimum of 15 employees per day attend these sessions with the EAP consultant.

The confidential consultations are inclusive of work related matters like stress, financial issues, social and family issues. Most critical issue that can be attributed to the high attendance to the EAP sessions was the uncertainty around the finalisation of the organisational development process, where CATHSSETA employee's employment security was threatened.

HEALTH AND SAFETY

Our health and safety policy has been observed in relations to workplace legislative compliance a lot is still to be done in terms of setting up structures for engagements on workplace health and safety issues and reinforcing the importance of staff's alertness to the prevention of injuries on duty or fatalities.

There are no fatalities recorded for the year under review.

INJURY ON DUTY (IOD)

For the period under review CATHSSETA reported three accidents and three (3) IODs recorded. One resulted from a motor vehicle accident by a staff member who was visiting clients in the field.

Two (2) of the accidents arose from slip and falls within our old building just before we moved out. All of the injured has since recovered well and returned back to work, except for one of the slip and fall cases, who was hospitalised for two weeks and recuperated at home for a month. These IOD cases, all involving female staff have since been reported to the Office of the Compensation Commissioner within the prescribed times and are being processed.

Lessons learned from the above incidents are that we must focus on conscientising and remind all our staff members to be extra careful when driving vehicles out in the field and when walking in the building especially on surfaces that are smooth, or have up or down stairs.

UTILISATION OF CONSULTANTS

In pursuit of excellent services some of the HR functions had to be outsourced not only to capacitate the department, but to ensure that the department's objectives are indeed met and implemented effectively.

Importantly the department is working on all the improvements recommended by the respective consultant with regards to various HR functions under their scope. The following service providers were duly awarded scope of work to do specific HR functions within the year under review:

- Mohlokomeli Management Financial Services, for the review of the payroll processes
- VIP SAGE for the maintenance of the payroll system
- Meso Management Consulting for the organisational development exercise
- Execuprime, for the training on contract management and the business report writing skills
- Waysanfra Installations cc, for the maintenance of the time and access system
- SOS Corporate Wellness, for bi weekly consultations with employee on EAP matters

CONCLUSION

A lesson well learned from the exciting 2013/14 year, which brought in a lot of structural and operational changes. Human Resources is looking forward to the challenges raised in each of the above report items and mitigate against the risks identified by making interventions as recommended by respective stakeholders or consultants in pursuit of the strategic goals of CATHSSETA and the HR department as a function. Human Resources department remains committed to the business goals of the organisation in partnership with all stakeholders.



2013/2014 CHAMBER ALIGNED EVENTS



**PART E: FINANCIAL
INFORMATION**

Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority (CATHSSETA)

Un- Audited Financial Statements
for the year ended 31 March 2014

The Annual Financial Statements for the year ended 31 March 2014 set out on pages 3 to 28 have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 on 23 May 2014, and are signed on their behalf by:



M Tsotetsi - CEO



Adv. B Madumise - Chairperson

CONTENTS

Report of the Audit Committee	158
Report of the Auditor General	160
Report of the Accounting Authority	169
Statement of Financial Performance	176
Statement of Financial Position	177
Statement of Changes in Net Assets	178
Cash Flow Statement	180
Notes to the Annual Financial Statements	182



REPORT OF THE AUDIT COMMITTEE

WE ARE PLEASED TO PRESENT OUR REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and should meet four (4) times per annum as per its approved terms of reference. During the current year eight (8) meetings were held.

Name & Surname	Constituency	25 Apr 2013	20 May 2013	09 July 2013	26 July 2013	29 Aug 2013	28 Oct 2013	17 Jan 2014	05 May 2014	20 March 2014	Total No Att
John Davis	Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9
Rita Wilson	CATRA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9/9
Joseph Maqhekeni	NACTU	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	7/9
Fay Mukaddam	Independent	Yes	No	Yes	Yes	No	Yes	No	Yes	No	5/9
Siphelele Madikizela	Independent	N/A	Yes	Yes	N/A	No	Yes	No	Yes	No	4/9

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 38(1)(a) of the Public Finance Management Act, No. 1 of 1999 and Treasury Regulation 3.1. We further report that we conducted our affairs in compliance with this charter.

The effectiveness of internal control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit and the Auditor General provide the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General South Africa, we can conclude that the existing control environment reflects certain weaknesses requiring immediate attention and management intervention in order to provide a reasonable assurance that the organisation's goals and objectives are being achieved. There are areas that have been highlighted in the reports of the Auditor General where the internal control systems require corrective action.

The Audit Committee have requested management to immediately develop a plan for the implementation and execution of the necessary controls and processes to resolve these matters. We will monitor progress in this regard.

Evaluation of Financial Statements

We have:

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

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

Internal audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the organisation in its audits.

Auditor-General South Africa

We have met with the Auditor- General South Africa to ensure that there are no unresolved issues.



J Davis
Chairperson of the Audit Committee

31 July 2014

Date:

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CULTURE, ARTS, TOURISM, HOSPITALITY AND SPORTS SECTOR EDUCATION TRAINING AUTHORITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1 I have audited the financial statements of the Culture, Arts, Tourism, Hospitality and Sports Sector Education Training Authority (CATHSSETA) set out on pages ... to ..., which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2 The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3 My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing.

Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Discretionary project expenses

6 I was unable to obtain sufficient appropriate audit evidence regarding the project administration expenses of R27 715 000 which have been transferred from administration expenditure to discretionary project expenses.

This was as a result of inadequate supporting documents submitted in relation to year-end journals. The transfer of the project administration expenses to discretionary project expenses could not be confirmed by alternative means. Consequently, I was unable to determine whether any adjustment relating to administration expenditure stated at R32 560 000 and discretionary project expenses stated at R169 727 000 in the financial statements was necessary.

Irregular expenditure

7 Section 51(1)(a)(iii) of the PFMA requires the entity to implement and maintain an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective, while section 56(1)(a) states that the accounting authority of a public entity may in writing delegate any of the powers entrusted or delegated to the accounting authority in terms of the act to an official in that public entity.

Regulation 6(8) of the grant regulations to the SDA states that the discretionary grants policy must embrace the principles of transparency, openness, access and fairness. The CATHSSETA did not comply with the requirements of the PFMA and the grant regulations to the SDA in respect of certain awards to service providers.

Irregular expenditure arising from this non-compliance was not disclosed in the financial statements. Consequently, irregular expenditure was understated by R19 392 837 (2013: R23 432 154) in the annual financial statements.

Property, plant and equipment

8 I was unable to obtain sufficient appropriate audit evidence regarding property, plant and equipment. This was as a result of management not maintaining a proper system of control over property, plant and equipment.

Property, plant and equipment could not be confirmed by alternative means. Consequently, I was unable to determine whether any adjustment relating to property, plant and equipment stated at R5 633 000 in the financial statements was necessary.

Qualified opinion

9 In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the CATHSSETA as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA and the SDA.

Emphasis of matter

10 I draw attention to the matter below

Restatement of corresponding figures

11 As disclosed in note 18.2 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of errors discovered during the year ended 31 March 2014 in the financial statements of the CATHSSETA at, and for the year ended, 31 March 2013.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12 In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13 I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the CATHSSETA for the year ended 31 March 2014:

- Programme 1: coordinate research and skills planning for the sector, on pages 108.
- Programme 2: address sector middle level skill, on pages 109.
- Programme 5: address sector high level skill, on pages 111.
- Programme 11: provision of quality training for employed workers, on pages 112.
- Programme 13: support for small and emerging businesses through skills development, on pages 115.

14 I evaluated the reported performance information against the overall criteria of usefulness and reliability.

15 I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI).

16 I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17 The material findings in respect of the selected programmes are as follows:

Programme 1: coordinate research and skills planning for the sector

Presentation

18 No reasons for variances between planned and actual achievements reported in the annual performance report were given for 100% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of understanding of the guide and inadequate review by management.

Consistency

19 Treasury regulation 30.1.3(g) requires the annual performance report of public entities to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. In total, 100% of the reported objectives and 40% of the targets were not consistent with those in the approved annual performance plan. This was due to a lack of understanding of the National Treasury's Guide for the preparation of the annual report and inadequate review by management.

Measurability of indicators and targets

20 The FMPPi requires the following:

- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 70% of the indicators were not well defined and 40% were not verifiable.
- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 10% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 20% of the targets.
- The period or deadline for delivery of targets must be specified. A total of 20% of the targets were not time bound.

Reliability of reported performance information

21 The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided.

This was due to a lack of documented system descriptions for the accurate recording of actual achievements, technical indicator descriptions for the accurate measurement, recording and monitoring of performance, monitoring of the completeness of source documentation in support of actual achievements, and frequent review of the validity of reported achievements against source documentation.

Programme 2: sector middle level skills

Presentation

22 No reasons for variances between planned and actual achievements reported in the annual performance report were given for 80% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of understanding of the guide and inadequate review by management.

Consistency

23 Treasury regulation 30.1.3(g) requires the annual performance report of public entities to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. In total, 100% of the reported objectives were not consistent with those in the approved annual performance plan. This was due to a lack of understanding of the National Treasury's Guide for the preparation of the annual report and inadequate review by management.

Reliability of reported performance information

24 The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided.

This was due to a lack of documented system descriptions for the accurate recording of actual achievements, technical indicator descriptions for the accurate measurement, recording and monitoring of performance, monitoring of the completeness of source documentation in support of actual achievements, and frequent review of the validity of reported achievements against source documentation.

Programme 5: sector middle level skills

Presentation

25 No reasons for variances between planned and actual achievements reported in the annual performance report were given for 100% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of understanding of the guide and inadequate review by management.

Consistency

26 Treasury regulation 30.1.3(g) requires the annual performance report of public entities to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. In total, 100% of the reported objectives were not consistent with those in the approved annual performance plan. This was due to a lack of understanding of the National Treasury's Guide for the preparation of the annual report and inadequate review by management.

Measurability of indicators and targets

27 The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 14% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 14% of the targets.

Reliability of reported performance information

28 The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of documented system descriptions for the accurate recording of actual achievements, technical indicator descriptions for the accurate measurement, recording and monitoring of performance, monitoring of the completeness of source documentation in support of actual achievements, and frequent review of the validity of reported achievements against source documentation.

Programme 11: provision of quality training for employed workers

Presentation

29 No reasons for variances between planned and actual achievements reported in the annual performance report were given for 100% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of understanding of the guide and inadequate review by management.

Consistency

30 Treasury regulation 30.1.3(g) requires the annual performance report of public entities to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. In total, 100% of the reported objectives were not consistent with those in the approved annual performance plan. This was due to a lack of understanding of the National Treasury's Guide for the preparation of the annual report and inadequate review by management.

Measurability of indicators and targets

31 The FMPPI requires the following:

- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 100% of the indicators were not well defined and 100% were not verifiable.
- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 33% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 33% of the targets.

Reliability of reported performance information

32 The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided.

This was due to a lack of documented system descriptions for the accurate recording of actual achievements, technical indicator descriptions for the accurate measurement, recording and monitoring of performance, monitoring of the completeness of source documentation in support of actual achievements, and frequent review of the validity of reported achievements against source documentation.

Programme 13: support for small and emerging businesses through skills development

Presentation

33 No reasons for variances between planned and actual achievements reported in the annual performance report were given for 100% of the targets not achieved, as required by the National Treasury's Guide for the preparation of the annual report. This was due to a lack of understanding of the guide and inadequate review by management.

Consistency

34 Treasury regulation 30.1.3(g) requires the annual performance of public entities to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. In total, 100% of the reported objectives and 67% of the targets were not consistent with those in the approved annual performance plan. This was due to a lack of understanding of the National Treasury's Guide for the preparation of the annual report and inadequate review by management.

Measurability of indicators and targets

35 The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 33% of the targets were not specific.
- Performance targets must be measurable. I could not measure the required performance for 33% of the targets.

Reliability of reported performance information

36 The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of documented system descriptions for the accurate recording of actual achievements, technical indicator descriptions for the accurate measurement, recording and monitoring of performance, monitoring of the completeness of source documentation in support of actual achievements, and frequent review of the validity of reported achievements against source documentation.

Additional matter

37 I draw attention to the following:

Additional matter

38 Refer to the annual performance report on pages 99-127 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 18 to 36 of this report.

Compliance with legislation

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

Annual financial statements

40 The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and were not supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not subsequently be provided, which resulted in the financial statements receiving a qualified audit opinion.

Strategic planning and performance management

41 Particulars of the strategic objectives as identified and agreed on by the minister of Higher Education and Training, the key performance measures and indicators for assessing performance in delivering the desired outcomes and objectives, and the actual performance against the strategic objectives and outcomes were not disclosed in the annual report, as required by section 55(2)(a) of the PFMA read with treasury regulation 28.2.2.

42 Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management were not in place, as required by section 51(1)(a)(i) of the PFMA. The entity did not have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets as required by the FMPPPI.

Expenditure management

43 The Accounting Authority did not take effective steps to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA.

Procurement of goods and services

44 Goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1.

Asset management

45 Proper control systems to maintain assets were not implemented, as required by section 50(1)(a) of the PFMA. This was due to management not maintaining proper and adequate records of the entity's assets.

Internal control

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

Leadership

48 Individuals responsible for performance management did not always understand the requirements of legislation and frameworks related to performance management.

48 The CATHSSETA did not have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets as required by FMPPI.

49 The action plans developed by management to address internal control deficiencies previously reported by the external auditors were not all implemented.

50 The delegations of authority signed off by the Accounting Authority were not very clear on many aspects of supply chain management and discretionary grants. Consequently, it was difficult to determine in some instances whether projects had been concluded and whether any variations to these projects had been properly authorised.

Financial and performance management

51 Daily and monthly processing and reconciling of transactions did not take place throughout the year.

52 Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.

53 There were no appropriate systems and processes to monitor compliance with laws and regulations.

Other Reports

Investigations

54 An independent consulting firm performed an investigation at the request of the Accounting Authority. The investigation was initiated based on an allegation of non-compliance with policies and procedures relating to supply chain management, discretionary grants and human resource management. The investigation concluded on January 2014 and resulted in the matters reported being escalated to the executive authority. The executive authority is currently busy with its processes.

Auditor - general

Pretoria
31 July 2014



REPORT OF THE ACCOUNTING AUTHORITY

INTRODUCTION

CATHSSETA is a schedule 3A listed public entity established in terms of an act of Parliament that receives funds through national legislation. CATHSSETA is established under the Skills Development Act, 1998 (Act No. 97 of 1998) for the Culture, Arts, Tourism, Hospitality, Gaming, Conservation and Sport Economic Sectors.

The main function of a SETA is to contribute to the raising of skills levels and to bring skills to the employed, or those wanting to be employed. It does this by ensuring that people learn skills that are needed by employers and communities.

There is no value in training people if they cannot use the skills they have learnt. Training and skills development is important for people of all ages, especially those starting their first jobs. The skills of employed people must also be enhanced.

Training must, wherever possible, meet agreed standards with a national framework. It must be ensured that the qualifications awarded are acceptable across the country. It is not ideal for one employer to increase the skills levels of his/her staff if another employer does not recognise them.

All training should be subject to quality control and in line with the best international standards.

To achieve these objectives a SETA must:

- Develop a Sector Skills Plan;
- Implement the Sector Skills Plan;
- Develop and Administer Learnerships;
- Support the implementation of the National Qualifications Framework;
- Undertake quality assurance;
- Disburse levies collected from employers in their sector;
- Report to the Minister and to the SAQA/QCTO.

SCOPE

CATHSSETA conducts its activities within the tourism, hospitality and sport economic sector, which comprises the following subsections

- Tourism and Travel Services
- Hospitality
- Gambling and Lotteries
- Conservation and Guiding
- Sport, Recreation and Fitness
- Arts & Culture

OBJECTIVES

In terms of its constitution, CATHSSETA aims to: Encourage employers in the sector to train their employees and provide opportunities for work.

- Encourage workers to participate in Learnership and other training programmes
- Improve the employment prospects of disadvantaged people
- Ensure the quality of education and training in and for the sector workplaces
- Assist work seekers to find work and employers to find qualified employees
- Encourage providers to deliver education and training in and for the sector workplaces
- Cooperate with the SAQA & QCTO

Functions and duties

To achieve its objectives, CATHSSETA must carry out a range of functions and duties. Its operations will be focused on:

- Performing its statutory obligations
- Providing excellent, responsive skills development services to the industry sector in general and its constituent employers and employees in particular

To do this CATHSSETA will

- Develop sector skills plans in the framework of the National Skills Development Strategy
- Develop annual business plans and budgets to regulate its operations
- Implement its sector skills plans by establishing learnerships, approving workplace skills plans, allocating grants to employers, providers and workers
- Monitor education and training provision
- Promote Learnerships and register Learnership agreements
- Perform the functions of an ETQA body
- Receive or collect skills development levies and disburse them in terms of the Skills Development Levy Act
- Report to the Director-General of the Department of Higher Education on its operations and achievements
- Cooperate with the National Skills Authority and other SETA's on skills development policy and strategy, and on inter-sectorial education and training provision
- Cooperate with employment services and education bodies to improve information about employment opportunities
- Appoint staff necessary for the performance of its functions
- Promote and facilitate education and training provision for small, micro and medium enterprises and their employees in the sector.

Authority as legal entity

The Minister has in November 2009, in terms of section 9 of the Act, established a **Culture, Arts, Tourism, Hospitality, and Sport Education and Training Authority** and; in terms of section 13(1) approved its Constitution

CATHSSETA is in terms of section 48 read with section 1 of the PFMA, regarded as

A national public entity being an entity which –

- is established in terms of national legislation (Act no. 97 of 1998);
- operates a system of financial administration separate from national government;
- is substantially funded from levies imposed in terms of national legislation; and
- Is accountable to Parliament.

Accounting Authority

The Board is in terms of section 49(2) (a) of the PFMA the accounting authority for CATHSSETA and is accountable for the purposes of that Act. The accounting authority shall, in terms of section 50 of the PFMA, have the following fiduciary duties to ensure reasonable protection of the assets and records of CATHSSETA. Act with fidelity, honesty, integrity and in the best interest of CATHSSETA in managing its financial affairs.

On request, disclose to the Minister all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Minister and prevent any prejudice to the financial interests of the State.

Applicable Prescripts

- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Skills Development Act, 1998 (Act No. 97 of 1998) as amended
- Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended
- South African Qualifications Authority Act, 1995 (Act No. 58 of 1995)
- Education and Training Quality Assurance Bodies Regulations, 1998 (GNR. 1127 of 8 September 1998)
- Labour Relations Act, 1995 (Act No. 66 of 1995) as amended
- Employment Equity Act, 1998 (Act. No 55 of 1998)
- Occupational Health and Safety, 1993 (Act. No 85)
- The Public Finance Management Act, 1999 (Act No. 1 of 1999 & National Treasury Regulations as amended)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) as amended
- The SAQA Act, 2011 (Act no 19 of 2012)
- The NQF Act, 2010 (Act 14 of 2010)

General review of the state of financial affairs

Levy income increased by 14.34% from R 223 million to R255 million, reflecting a general increase in activity that took place in the industries that CATHSSETA serve.

Administration expenses increased from R 27.6 million to R 32.5 million. This was mainly due to an increase in the remuneration of the Accounting Authority under the new Ministerial guidelines, increase in cost of employment due to additional Discretionary Project activity related to the change in expenditure from 20% to 50% and an increase in Internal Audit and Consulting fees related to the internal control environment and the reorganisation of CATHSSETA. CATHSSETA's administration expenses are under the 10% regulated administration expense threshold.

Employer grants decreased from R 94.62 million to R48.16 million due to the decrease in Mandatory Grant Income from 50% to 20% of Skills Development Levies. Discretionary Grant and Project Expenses increased from R 105.9 million to R 169.7 million due to the increase in Discretionary Grant Income from 20% to 50% of Skills Development Levies. Having developed policies and procedures, especially regarding strategic planning and cash flow control, ensured that the organisation remains well managed and is positioned to make a significant contribution to the skills shortage in South Africa.

Contractual Commitments

Note 18.2 in the annual financial statements disclose details of the contractual commitments of the organisation. Of the balance of R110.397 million available in the Discretionary Reserve at the end of March 2014, R109.365 Million is contractually committed from the reserve funds of the 2013/2014 financial year and R 33.98 Million was contractually committed from the income of future years. (2014/15 till 2015/16).

These longer term contractual commitments were for multi-year bursaries, Masters and PHD research bursaries and multi-year agreements for lower level skills development.

The Accounting Authority is confident, based on the income levels of the previous years that most of these commitments are due to multiyear agreements that will be financed from the subsequent year's income.

The organisation will be able to discharge all its current commitments and be able to achieve the targets set in the following year. The Accounting Authority confirms that the organisation is a going concern and that no cash flow problems will be experienced going forward.

Administration Expenses

Administration Expenses, although still comfortably under the 10% threshold set by the regulations, increased from R27.6 million to R 32.1 Million. This increase was mainly due to an increase in salaries and related expenses that were the result of the change in the levy regulations.

The change in levy regulations resulted in a need to increase the capacity of the organisation, and the organisation development programme which in turn resulted in additional human resources.

Consulting fees increased from R0.70 million to R 1.6 million as a result of the Organisational Development process referred to above. External expert assistance was required in realigning the Sector Skills Plan, the Strategic Plan and the Annual Performance Plan to NSDS iii and the changed Grant regulations. In addition several investigations were done by the Board during the year to deal with a number of corporate governance concerns.

As a result of these matters, it was necessary for the Board and its committees to meet on a more regular basis resulting in a further cost increases. Legal fees increased mainly due to current ongoing disciplinary activities.

The Board is confident that these increases were necessary to ensure that we continue to address successfully, the skills needs of the relevant industry and to ensure that these costs would not be incurred in future.

Objectives achievements against targets

A detailed schedule of CATHSSETA's performance against NSDS targets is discussed in the Annual Report under the heading CEO's Report.

Corporate Governance arrangements

CATHSSETA is committed to the objectives and principles of transparency, accountability and integrity as set out in the King iii Code relating to Corporate Governance. Detailed discussion of the application of Corporate Governance in the organisation is discussed in the CEO's report in the Annual Report.

Full disclosure of accounting policies are disclosed in the notes to the Annual Financial Statements, in addition disclosure of related parties are under note 21 in the Annual Financial Statements.

Audit Committee

The Audit Committee meets on a regular basis and ensures that management adheres to proper internal controls and adequate accounting policies and procedures. The Audit Committee has adopted an Audit Charter and the Committee is satisfied that it has carried out its duties in line with these term of reference. (Refer to Report of the Audit Committee in the Annual Report).

Discretionary activities

Details of On-going Discretionary projects are elaborated on in Note 18.1 to the Annual Financial Statements. The on-going projects are financed out of surplus funds and income received during the financial period ending March 2014.

Events after the reporting date

The Accounting Authority is not aware of any events after the reporting date that could have a material effect on these Financial Statements.

Quarterly Reporting

The PFMA requires that within thirty days of the end of each quarter, CATHSSETA submit the following information to the Executive Authority:

- Actual revenue and expenditure;
- Extent of compliance with to the PFMA and Regulations;
- Performance reports against pre-set targets.

The Accounting Authority can report that all the above-mentioned quarterly reports were submitted to the Executive Authority within the deadlines set by the PFMA.

Investments

The current policy is to invest short term funds in three of the larger banks in South Africa namely NEDBANK; FNB; and Standard Bank with an equal split between the three. The investment vehicle is 50% in call accounts and the balance is invested at the best interest rate for no longer than a three month period.

The Accounting Authority assesses the credit and risk rating of these banks from three different international rating agencies. Note 20 in the financial statements sets out detailed information regarding CATHSSETA's risk exposure plus the management and mitigation thereof.

Disclosure of Remuneration to:

Executive Managers

EXECUTIVE MANAGERS		BASIC	ALLOWANCES	P. BONUS	PENSION MEDICAL	TOTAL 2014	TOTAL 2013
B Nkabinde	COMMS	620 270	72 000		44 649	736 919	876 893
M Tsotetsi	CEO	1 155 262	120 000		13 785	1 289 047	1 447 084
E Boomgaard	ETQA	716 822	12 000		63 366	792 188	806 456
BJ Keet	CFO	938 924	156 000		1 785	1 096 708	1 238 076
K Pebane	Projects	597 449	78 000		55 056	730 505	687 925
M Mwandla	SDD	649 532	84 000		58 655	730 505	818 320
SS- Quntana	COO	627 098	45 000		54 384	726 482	0
						6 164 036	5 874 754

BOARD & COMMITTEES		2014	
		FEES	TRAVEL CLAIM
Brenda Madumise	Chairperson Board	212 202	1 616
Sheila Sekhitla	Board Member	226 084	14 823
Judy Malqueeney	Board Member	64 083	0
Margarita Wilson	Board Member	138 720	6 933
Joseph Maqhekeni	Board Member	113 412	19 391
Dorcus Nkomo	Board Member	146 753	11 436
Helen Makgae	Board Member	190 050	104 904
Caroline Rakgotsoka	Board Member	114 442	304
Thabo Mahlangu	Board Member	246 367	18 599
Brain Magqaza	Board Member	252 007	11 445
Kathy Bergs	Audit Committee	0	
Sipho Ngxe	Audit Committee	0	
JL Davis	Audit Committee Chair	57 811	2 452
F Makadam	Audit Committee	19 656	87
Mike Mohohlo	Board Member	6 340	0
Rashied Essop	Board Member	49 020	462
Thandiwe Ngqobe	Board Member	52 844	896
		1 889 791	193 349

	2013			
	TOTAL	FEES	TRAVEL CLAIM	TOTAL
	213 818	201 486	202 990	
	240 907	237 003	248 988	
	64 083	71 678	71 678	
	145 654	143 344	148 868	
	132 804	144 042	1 504	
	158 189	152 912	11 985	
	294 953	166 083	0	
	114 746	117 668	5 818	5 525
	264 966	250 504	13 072	14 308
	263 452	243 900	17 651	2 181
	0	4 000	1 383	53 736
	0	6 667	2 432	9 099
	60 263	144 901	3 127	148 028
	19 743	60 105	0	60 105
	6 340	8 262	144	8 406
	49 481	13 830	228	14 058
	53 741	22 272	217	22 489
	2 083 139	1 988 657	44 072	1 023 948

Statement of responsibility

The financial statements have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practices (GRAP) including any interpretations of such Statements issued by the Accounting Practices Board, and the requirements of the Department of Labour, where practical, and include amounts based on judgments and estimates made by management.

The board also prepared the other information included in the annual report and is responsible for both its accuracy and consistency with the financial statements. The going concern basis was adopted when preparing the financial statements. The board has no reason to believe that CATHSSETA will not be a going concern in the foreseeable future based on forecasts and available cash resources as well as the renewal of the license of the CATHSSETA as discussed above. The financial statements support the viability of CATHSSETA.

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

				Restated
			2014	2013
		Note	R'000	R'000
REVENUE				
Non- Exchange Revenue			259 338	226 587
Skills Development Levy: Income Transfer		4.1	255 386	222 678
Skills Development Levy: Penalties and interest		4.2	3 900	2 187
Donor Funding Income		4.3	52	1 721
Exchange Revenue			9 374	5 444
Investment income		5	5 110	5 444
Other income		6.1	4 264	-
Total revenue			268 712	232 031
EXPENSES				
Other Expenses		6.2	(166)	(6)
Employer grant and project expenses		7	(217 881)	(200 579)
- Employer Grants		7	(48 155)	(94 620)
- Discretionary Grants		7	-	(16)
- Discretionary Project expenses		7.1	(169 727)	(105 942)
Administration expenses		8	(32 560)	(27 657)
Donor Funding Expenses		15.1	(52)	(1 721)
Total expenses			(250 659)	(229 963)
NET INCOME FOR THE YEAR			18 053	2 068

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

				Restated
			R'000	R'000
	Note		2014	2013
ASSETS				
Non-current assets			5 663	7 750
Property, plant and equipment		9.1	5 633	7 705
Intangible Assets	9.2		30	45
Current assets			160 623	136 874
Inventory			357	507
Prepayments and advances		10.1	93	6 614
Trade and other receivables			1 103	4 522
From Non-Exchange transactions		10.2	726	3 832
From Exchange transactions		10.3	377	690
Cash and cash equivalents		11	159 070	125 230
TOTAL ASSETS			166 286	144 624

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

NET ASSETS AND LIABILITIES			
Non-current liabilities	13	1 478	2 818
Long Term Loans			
Current liabilities		51 565	46 622
Current Portion of Finance lease obligations	13	1 380	1 362
Trade and other payables from exchange transactions	14.1	13 787	11 993
Grants and transfers payable from non-exchange transactions	14.2	29 357	25 105
Donor Funding Received in Advance	15	1 062	1 062
Provisions	16	5 980	7 100
Provisions from exchange transactions	16.1	3 082	402
Provisions from non exchange transactions	16.2	2 898	6 698
Total liabilities		53 051	49 440
NET ASSETS		113 235	95 183

NET ASSETS			
Administration reserve		2 797	3 029
Employer grant reserve		42	1 090
Discretionary reserve		110 397	91 064
TOTAL NET ASSETS		113 235	95 183

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2013

	Admin reserve	Employer grant reserve	Discretionary reserve	Acc deficit	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2010	834	703	(9 209)	-	(7 672)
Prior Year Errors					-
Audit Fees over stated (decrease deficit)				77	77
Discretionary Project Expenses overstated (decrease Deficit)				12 728	12 728
Transfer of change in Accumulated Deficit			12 805	(12 805)	-
Restated Balance 31 March 2010	834	703	3 596	(0)	5 133
Net Income for the year				25 797	25 797
Allocation of Accumulated Income	1 026	35 432	(10 661)	(25 797)	-
Excess reserves transferred to/(from) Discretionary	(519)	(34 972)	35 492		-
Balance at 31 March 2011	1 341	1 162	28 427	-	30 930
Net Income for the year				44 584	44 584
Funds Received Transfer from MAPPP Seta			19 285		19 285
Transfer of Funds to Donor Funding: NTCE			(2 225)		(2 225)
Allocation of Accumulated Income	571	44 589	(576)	(44 584)	-
Excess reserves transferred to/(from) Discretionary	(627)	(45 137)	45 764		-
Balance at 31 March 2012	1 285	614	90 675	-	92 574
Net Income for the year				2 068	2 068
Allocation of Accumulated Income	1 922	43 862	(43 716)	(2 068)	-
Excess reserves transferred to/(from) Discretionary	(178)	(43 386)	43 564		-
Balance at 31 March 2013	3 029	1 090	90 523	-	94 642
Change in PPE Usefull Life Estimate				541	541
Allocation of Accumulated Income			541	(541)	-
Restated Balance 31 March 2013	3 029	1 090	91 064	-	95 183
Net Income for the year				18 053	18 053
					-
Allocation of Accumulated Income	303	32 462	(14 713)	(18 053)	-
Excess reserves transferred to/(from) Discretionary	(535)	(33 511)	34 046		-
Balance at 31 March 2013	2 797	42	110 397	-	113 235

ANNUAL FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

			2014	2013
	Note		R'000	R'000
CASH FLOW FROM OPERATING ACTIVITIES				
Operating activities				
Cash receipts from stakeholders			266 556	224 960
Levies received			258 392	222 773
Interest and penalties			3 900	2 187
Other income			4 264	-
Cash paid to stakeholders, suppliers and employees			(235 947)	(219 161)
Grants and project payments			(50 503)	(81 959)
Discretionary grants and project expenses			(169 727)	(106 318)
Special project expenses			-	(1 721)
Compensation of employees			(13 005)	(13 259)
Payments to suppliers			(2 712)	(15 903)
Cash generated by (utilised in) operations	-	17	30 609	5 799
Interest received			5 110	5 444
Net cash flow from operating activities			35 719	11 244

ANNUAL FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

CASH OUTFLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and investment properties	9	(1 104)	(7 244)
Net cash outflow from investing activities		(1 104)	(7 244)
CASH FLOW FROM FINANCING ACTIVITIES			
Grants, transfers and funds received		540	8 148
Lease Additions		(1 315)	4 181
Net cash inflow from financing activities		(775)	12 329
Net increase (decrease) in cash and cash equivalents		33 840	16 328
Cash and cash equivalents at beginning of year	11	125 230	108 901
Cash and cash equivalents at end of year	11	159 070	125 230

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis. To comply with the accounting standards as set out in note 1 the use of certain critical accounting estimates is necessary. It also requires management to exercise its judgment in the process of applying the SETA's accounting policies. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results may ultimately differ from those estimates. See Notes for detailed information on accounting standards applicable and accounting standards that will be applicable in the following financial year.

1.1.1 OFFSETTING

Financial assets and financial liabilities are offset and the net amount reported to the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.1.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful economic lives of property, plant and equipment

Depreciation of plant and other assets is charged so to write down the value of these assets to their residual value over their respective estimated useful life. The Accounting Authority is required to assess useful life and residual values of assets so that the depreciation is charged on a systematic basis to the current carrying amount. It is the policy to write off the assets over their useful life estimated to be the same as the licensing period of CATHSSETA, this may be much shorter than actual useful life during the second half of the licensing period. To compensate for this estimation uncertainty, the residual value of the assets is re assessed on a yearly basis and adjusted to cater for the increase in useful life in the latter part of the licensing period. Useful life and depreciation is disclosed in note 1.6 and note 9 of the financial statements.

Fair values of financial instruments

Accounts payable and receivable

CATHSSETA has presented their financial statements in accordance with the presentation requirements of GRAP 104 (Financial Instruments) In accordance CATHSSETA records its financial instruments on its Statement of Financial Position at Fair value. When material Accounts payable and receivable are discounted at 7% over the full year period recalculated at the assumed outstanding period of 30 days these assumptions are based on current market trends.

1.1.3 ROUNDING

Unless otherwise stated all financial figures have been rounded off to the nearest one thousand rand (R'000)

1.1.4 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents are stated at cost which approximates fair value. (refer to note 1.10 for further disclosure)

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.2 PRESENTATION CURRENCY

These financial statements are presented in South African Rand since this is the currency in which the majority of the entity's transactions are denominated. At each Statement of Financial Position date, monetary items denominated in foreign currency are retranslated at the rates prevailing at that date. Exchange differences are recognised as profit or loss in the period in which they arise.

1.3 REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefit will flow to the SETA, and these benefits can be measured reliably. Revenue is further disclosed as Exchange Revenue and Non-Exchange revenue

Revenue is measured at the fair value of the consideration received and is based on the information as provided by DHET.

1.3.1 NON EXCHANGE REVENUE

Revenue from non-exchange transactions refers to transactions where the entity receives revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no obligation to repay the amount.

1.3.1.1 LEVY INCOME TRANSFER

Skills Development Levy (SDL) transfers are recognised when it is probable that future economic benefit will flow to the SETA, and these benefits can be measured reliably. This occurs when the Department of Higher Education (DHET) makes an allocation or payment to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999, Act 9 of 2001 (as amended).

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies of the SETA with an annual payroll of more than R 500 000 pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS).

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

In the event that the above-mentioned employers deregister or subsequently do not contribute Skills Development Levies for a continuous period of six months, the amount is written off as bad debt.

From 1 August 2005 employers with a wage/salary bill of less than R500 000 per annum were exempted from the payment of the 1% skills levy. Some employers continued contributing the levy payments, as the Skills Levy Act makes provision for the repayment of levies not due, the entity provides for these levies received as a creditor. This estimate is calculated using a yearly average to ascertain employers who should be exempted from paying levies. As of 2014 all outstanding amounts for longer than five years are transferred to the Discretionary Reserve.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Revenue is adjusted for Inter-SETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the standard operating procedure issued by the DHET.

Voluntary contributions received from public service employers in the national and provincial spheres of government may be used to fund the SETA administration costs. These contributions are recognised as revenue when received.

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

1.3.1.2 INTEREST AND PENALTIES

Interest and penalties on the skills development levy are recognised on the same bases as levy income, on receipt thereof in the SETA's bank account or receipt of allocation information from DHET.

1.3.1.3 FUNDS ALLOCATED BY THE NATIONAL SKILLS FUND FOR SPECIAL PROJECTS

When Grants are received from NSF that have conditions attached to it, a liability will be recognised to the extent that the conditions have not been met, and will be reduced as the conditions are satisfied with a corresponding increase in revenue.

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

Whenever a joint training venture is undertaken by the SETA and the NSF all funds contributed by CATHSSETA is transferred from the Discretionary reserve to NSF funding and accounted for as a liability until the related eligible special project expenses are incurred. This is done to ensure that the SETA does not over commit surplus funds.

Receivables are recognised when a binding transfer agreement is in place but the cash or other assets have not been received.

1.3.1.4 GOVERNMENT GRANTS AND OTHER DONOR INCOME

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Grants received that are subject to restrictions are separately disclosed with details of the restrictions attached to the asset.

1.3.2 EXCHANGE REVENUE

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.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.3.2.1 INVESTMENT INCOME

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

1.3.2.2 OTHER INCOME

Other income is the revenue derived from sale of assets, and is recognised when it is probable that economic benefits or service potential associated with the transaction will flow to the entity; and The revenue can be measured reliably. Significant risk and rewards of ownership of the goods have been transferred to the purchaser and the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

1.4 GRANTS AND PROJECT EXPENDITURE

1.4.1 MANDATORY GRANTS

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form, within the agreed upon cut-off period, and the application has been approved as the payment then becomes probable. The grant is equivalent to 20% (2013: 50%) of the total levies paid by the employer during the corresponding financial period for the skills planning grant.

1.4.2 DISCRETIONARY GRANTS

A SETA may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant, in the prescribed form, within the agreed upon cut-off period. The grant payable and the related expenditure are recognised when the application has been approved and the conditions are complied with.

1.4.3 DISCRETIONARY GRANT PROJECT EXPENDITURE

Project expenditure comprises:

	- costs that relate directly to the specific contract;
	- costs that are attributable to contract activity in general and can be allocated to the project;
	- general administration costs for the use of facilities and other services rendered to or on behalf of the project; and
	- such other costs as are specifically chargeable to the SETA under the terms of the contract.
	- salary costs related to projects

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

Project costs are recognised as expenses in the period in which they are incurred.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.5 IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA,
- The Skills Development Act,
- The Skills Development Levies Act

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

All irregular and fruitless and wasteful expenditure is charged against the respective expenditure class in the reporting period in which they are incurred and disclosed in the notes to the financial statements of the reporting period that it has been identified.

Irregular and Fruitless and Wasteful expenditure will be disclosed as an asset in the books of account until condoned by the Accounting Authority.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (owned and leased) are stated at cost less any subsequent depreciation and adjusted for impairments. Depreciation is calculated on the straight line method to write off the cost of each asset to estimated residual value over its estimated useful life. The following rates are used:

Computer Equipment		3	years
Office Furniture and Equipment		5	years
Motor Vehicles		3	years

The estimated useful life of the assets is limited to the remaining period of the license issued to the SETA by the Minister of Higher Education and Training. For the current year the remaining period is 2 years (2013: 3 years).

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

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at each statement of position date. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of financial performance. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.6.2 INTANGIBLE ASSETS

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.

INTANGIBLE ASSETS ARE INITIALLY RECOGNISED AT COST.

Where an intangible asset is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The cost (or depreciable amount) of intangible assets with finite useful lives are amortised over the estimated useful lives.

Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

Amortisation is charged so as to write off the cost of intangible assets with finite useful lives over their estimated useful lives using the straight-line method. Amortisation commences when the asset is ready for its intended use.

The annual amortisation charges are based on the following estimated average asset lives:

Software 3 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

An intangible asset is 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 gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

1.6.2 IMPAIRMENT

At each year end, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered impairment. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment losses are recognised as an expense immediately. Management is of the opinion that there were no indication of impairment of assets for the year under review.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.7 LEASES

A lease is classified as a finance lease if it transfers substantially all the risk 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.

1.7.1 FINANCE LEASES

Assets held under finance leases are recognised as assets at their fair value at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a long term obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are charged to the statement of financial performance.

1.7.2 OPERATING LEASES

Operating leases are charged against income in equal installments over the period of the lease.

1.8 RETIREMENT BENEFIT COSTS

The entity operates defined contribution benefit plans, the assets of which are generally held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees, taking account of the recommendations of independent qualified actuaries. The contributing expense is disclosed under a separate heading as part of Employee costs in the Statement of Financial Performance

1.9 PROVISIONS

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

1.9.1 PROVISION FOR EMPLOYEE ENTITLEMENTS

The cost of other employee benefits (not recognised as retirement benefits - see note 1.8 above) is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for bonuses and termination benefits. Leave (based on the current salary rates) are accrued at year end.

Termination benefits are recognised and expensed only when the payment is made.

1.9.2 PROVISIONS FOR GRANTS

GRANT PAYMENTS

A provision is recognised for grant payments once the specific criteria set out in the regulations to the Skills Development Act, 97 of 1998 has been complied with by member companies and it is probable that the SETA will approve the payment. The measurement of the obligation involves a calculation of the actual levy payments by a members company and only paid after confirmed receipt of the original Skills Development Levies in the bank account of the SETA.

PROJECTS

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

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.10 FINANCIAL INSTRUMENTS

Recognition and de-recognition

A financial asset or liability is recognised when, and only when, CATHSSETA becomes a party to the contractual provisions of the financial instrument.

CATHSSETA derecognises a financial asset when, and only when:

- The contractual rights to the cash flows arising from the financial assets have expired or been forfeited by CATHSSETA; or
- It transfers the financial asset including substantially all the risks and rewards of ownership of the asset; or
- It transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.
- A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.
- The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration received, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

RECOGNISED FINANCIAL INSTRUMENTS

Financial instruments recognised in the CATHSSETA balance sheet include cash and cash equivalents, trade and other receivables, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and investments in money market instruments with an original maturity of less than three months.

The carrying amount of cash and cash equivalents is stated at cost, which approximates fair value

TRADE AND OTHER RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date an assessment is made of whether there is any objective evidence of impairment of financial assets. If there is evidence then the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39. For certain categories of financial asset, such as trade receivables, are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include CATHSSETA's past experience of collecting payments an increase in the number of delayed payments past the average period of 60 days as well as observable changes in national or local economic conditions that correlate with default on receivables

FINANCIAL LIABILITIES: TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value net of transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or where appropriate a shorter period. The average credit period is 30 days from date of invoice. CATHSSETA has financial risk management policies in place to ensure that all payables are paid within the credit time frame and in compliance with the Public Finance Management Act (1999), Act 1 of 1999.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.10 FINANCIAL INSTRUMENTS

Derecognition

A financial asset or a portion thereof is derecognised when the SETA realises the contractual rights to the benefits specified in the contract, the rights expire, the SETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net surplus or deficit for the period.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortized costs, and the amount paid for it is included in surplus or deficit for the period.

FAIR VALUE CONSIDERATIONS

The fair values at which financial instruments are carried at the Statement of Financial Position date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values have been estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the SETA could realise in the normal course of business.

1.11 RESERVES

Equity is sub-classified in the Statement of Financial Position between the following funds and reserves:

- Administration reserve: The balance of this reserve is based on the net value of Property plant and equipment and Intangible assets. All net income is transferred to the Discretionary Reserve, net deficit is transferred from the Discretionary Reserve. These transfers are done in compliance with the Skills Development Act and Regulations.
- Employer grant reserve: This reserve is for the payment of newly registered levy payers whose registration date still allows the completion of a WSP. Submission of the WSP will result in Grant payments. All reserves of levy payers who did not complete and submit WSP's are transferred to the Discretionary Reserve.
- Discretionary reserve: This reserve is for the purpose of Discretionary Grants and Projects in compliance with the Skills Development Act and Regulations.

This sub-classification is made 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 No. 97 of 1998).

Member employer company levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

- Administration costs of the SETA

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	<ul style="list-style-type: none"> Mandatory Workplace Skills Planning / Implementation Grant
	<ul style="list-style-type: none"> Discretionary grants and projects
<p>In addition, 10% of contributions received from public service employers in the national or provincial spheres of government may be used to pay for its administration costs.</p>	
<p>Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects. Other income received are utilised for discretionary grants.</p>	
<p>The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above.</p>	
<p>Surplus funds are moved to the discretionary fund reserve from the mandatory grant reserve of grant levies that has not been utilised by submission of a Workplace Skills Plan and Annual Training Report by the deadline set in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended 2013 = 30 June (2012 = 30 June) and the excess after the provision for mandatory grants for the current year has been made.</p>	
<h4>1.12 COMPARATIVE FIGURES</h4>	
<p>Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.</p>	
<h4>1.13 TAXATION</h4>	
<p>No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).</p>	
<h4>1.14 VALUE ADDED TAXATION (VAT)</h4>	
<p>The Revenue Laws Amendment Act, 2003 (Act No. 45 of 2003) commenced on 22 December 2003. Previously, the definition of enterprise placed CATHSSETA as listed in Schedule 3A within the scope of VAT. The Amendment Act, however, has amended this definition of enterprise and effectively places the public entity outside the scope of VAT. The amended definition of enterprise came into operation with effect 01 April 2005.</p>	
<h4>1.15 INVENTORY</h4>	
<p>Inventory consists of stationery, promotional materials and other consumables and are stated at lowest of cost, determined on a first in first out basis, or estimated net realisable value. All items are kept in inventory and disclosed as an expense in the period of actual usage. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale.</p>	

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1.16 RELATED PARTY TRANSACTIONS

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national/ sphere of government are considered to be related parties.

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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.17 BUDGET INFORMATION

Budgets are prepared on an annual basis and compared with actual results on a month to month basis, CATHSSETA has presented in this annual financial statements this comparison and explanations and relevant reconciliation .(seen note 2 for full details)

1.18 CONTINGENT LIABILITIES / DISCRETIONARY GRANT COMMITMENTS

The entity disclose contingent liabilities when:

- Possible obligation arising due to past event whose existence will only be confirmed by occurrence or non-occurrence of uncertain future events not wholly within control of entity; or
- Present obligation arising due to past event not recognised because uncertainty of timing or amount or probable outflow.

1.19 PREPAID EXPENSES

A prepaid expense is a payment, other than for inventory or capital assets, before the criteria for expense recognition have been met (i.e. before receipt of goods or services). The payment is expected to yield economic benefits over one or more future periods. This is recognised in the period it is expended.

2. RECONCILIATION OF BUDGET WITH STATEMENT OF FINANCIAL PERFORMANCE

	2014		R'000	
	Budget	Actual	Variance	Variance %
Total revenue	348 252	268 712		
Admin levy income (10%)	32 970	32 024	(946)	-2.87%
Government levies received	0	1 005	1 005	
Mandatory grant levy income (20%)	62 800	80 617	17 817	28.37%
Discretionary grant levy income (50%)	155 430	141 741	(13 689)	-8.81%

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Penalties and interest	1 786	3 900	2 114	118.34%
Donor funding income		52	52	
Investment income	4 744	5 110	366	7.71%
Surplus Funds 2011/2012	90 522	4 264	(86 258)	
OTHER INCOME			-	
Total expenses	(348 252)	(250 659)		
Administration expenses	(32 970)	(32 560)	410	-1.24%
Donor funding expenses		(52)	(52)	
Employer grants	(41 448)	(48 155)	(6 707)	16.18%
Discretionary Grants & Project Exepnses	(273 834)	(169 727)	104 107	-38.02%
Other Expenses		(166)	(166)	
Net income (deficit) for the year	-	18 053		

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

2. Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance (Continued)

	2013		R'000	
	Budget	Actual	Variance	Variance %
Total revenue	337 485	232 031		
Admin levy income (10%)	28 278	29 585	(1 307)	4.62%
Mandatory grant levy income (50%)	138 680	138 482	197	-0.14%
Discretionary grant levy income (20%)	58 755	54 611	4 144	-7.05%
Penalties and interest	1 594	2 187	(593)	37.23%
Donor funding income		1 721		
Investment income	4 236	5 444	(1 208)	28.52%
Surplus Funds 2011/2012	105 942	-	-	
Other Income		-		
Total expenses	(337 485)	(229 963)		
Administration expenses	(28 278)	(27 657)	(621)	-2.20%
Donor funding expenses		(1 721)	1 721	
Employer grants	(81 806)	(94 620)	12 814	15.66%
Discretionary Grants & Project Expenses	(227 401)	(105 959)	(121 442)	-53.40%
Other Expenses		(6)		
Net income (deficit) for the year	(0)	2 068		

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 01 April 2012 to 31 March 2014.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the Statement of Financial Performance.

Levy Income was only 1.27% or R 3.182 million over the budgeted amount for the year, Admin Income was 4.62% over budget. The Mandatory and Discretionary levy income differences was caused by the change in income levels of 50% and 20% respectively during the year.

Penalties and interest collected by SARS, are based on the non compliance of employers when remitting SDL levies. The entity calculates this budget based on the previous five (5) years average and has no control over this item.

Investment income is over budget due to the higher levels of cash and cash equivalent balances. (see below)

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

The under expenditure of 38.02% in budgeted Discretionary Grants and Project expenses was largely due to greater emphasis in the year by the entity on longer term training interventions such as Bursaries, Internships and Learnerships. These interventions normally have a duration of at least one year. Most of these projects only started in the second half of the financial year and most of the cost will be incurred in the following financial year. The impact of this change is disclosed in Note 18.2: Contingent Commitments where these amounts should be expended in the following financial year. Taking these commitment into account the under expenditure reduces to zero.

3. ALLOCATION FROM / TO RESERVESz

	2014	2014	2014	2014	2014
	R'000	R'000	R'000	R'000	R'000
	Total per Statement of Financial Performance	Administration reserve	Employer grants reserve	Discretionary reserve	Special projects
Total revenue	268 712	33 029	80 617	155 014	52
Skills development levy: Levy income transfer					
Admin levy income (10%)	33 029	33 029			
Mandatory grant levy income (20%)	80 617		80 617		
Discretionary grant levy income (50%)	141 741			141 741	
Skills development levy: penalties and interest	3 900			3 900	
Donor funding income	52				52
Investment income	5 110			5 110	
Other Income	4 264			4 264	
Total expenses	(250 659)	(32 726)	(48 155)	(169 727)	(52)
Administration expenses	(32 560)	(32 560)			
Donor funding expenses	(52)				(52)
Employer grants	(48 155)		(48 155)		
Discretionary Grants	-			-	
Discretionary Project expenses	(169 727)			(169 727)	
Other Expenses	(166)	(166)			
Net Income for the year	18 053	303	32 462	(14 713)	-

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	2013	2013	2013	2013	2013
	R'000	R'000	R'000	R'000	R'000
	Total per Statement of Financial Performance	Administration reserve	Employer grants reserve	Discretionary reserve	Special projects
Total revenue	232 031	29 585	138 482	62 243	1 721
Skills development levy: Levy income transfer					
Admin levy income (10%)	29 585	29 585			
Mandatory grant levy income (50%)	138 482		138 482		
Discretionary grant levy income (20%)	54 611			54 611	
Skills development levy: penalties and interest	2 187			2 187	
Donor funding income	1 721				1 721
Investment income	5 444			5 444	
Other Income	-	-			
Total expenses	(229 963)	(27 663)	(94 620)	(105 959)	(1 721)
Administration expenses	(27 657)	(27 657)			
Donor funding expenses	(1 721)				(1 721)
Employer grants	(94 620)		(94 620)		
Discretionary Grants	(16)			(16)	
Discretionary Project expenses	(105 942)			(105 942)	
Other Expenses	(6)	(6)			
Net Income for the year	2 068	1 922	43 862	(43 716)	-

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4. LEVY INCOME

4.1 Skills Development Levy Income

	2014	2014	2014	2014
	R'000	R'000	R'000	R'000
	Administration	Employer Grants	Discretionary Grants	Total
Levy income transfers received from SARS	27 473.78	53 455.22	128 576.06	209 505
Government levies received	1 005		1 794	2 799
SARS Reversals	4 608	27 219	11 716	43 543
SMME Overpayments	(58)	(59)	(346)	(463)
InterSETA transfers in	33	164	65	262
InterSETA transfers out	(32)	(162)	(65)	(259)
Total Levy income	33 029	80 617	141 741	255 386
	2013	2013	2013	2013
	R'000	R'000	R'000	R'000
	Administration	Employer Grants	Discretionary Grants	Total
Levy income transfers received from SARS	22 224	111 116	44 471	177 810
Government levies received	1 052			1 052
SARS Reversals	6 405	27 866	10 315	44 586
SMME Overpayments	(75)	(375)	(150)	(600)
InterSETA transfers in	7	16	31	54
InterSETA transfers out	(28)	(140)	(56)	(224)
Total Levy income	29 585	138 482	54 611	222 678

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
4.2 PENALTIES AND INTEREST	R'000	R'000
Penalties	1 958	1 252
Interest	1 942	935
	3 900	2 187
4.3 DONOR FUNDING INCOME	52	1 721
<p>Conditional donor funding received is recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate. See Note 15 for full disclosure</p>		
5. INVESTMENT INCOME	2014	2013
	R'000	R'000
Interest received	5 110	5 444
6. OTHER INCOME/EXPENSES		
6.1 OTHER INCOME		
Transfer of SMME Creditors	4 264	-
6.2 OTHER EXPENSES		
(Profit)/Loss on disposal of property, plant and equipment	166	(6)

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
7	EMPLOYER GRANT AND PROJECT EXPENSES	R'000	R'000
	Employer grants	48 155	94 620
	Disbursed	63 213	84 159
	Movement in provisions and accruals	(15 058)	10 461
	Discretionary grants	-	16
	Disbursed		39
	Movement in provisions and accruals		(22)
	Project expenditure	169 727	105 942
		217 881	200 579
8	ADMINISTRATION EXPENSES		
	Depreciation & Amortisation	2 484	1 315
	Depreciation for the year	2 469	1 307
	Amortisation for the year	15	8
	Operating lease rentals (minimum lease payments)	1 445	2 322
	Operating lease payments: buildings	1 607	1 750
	Change in estimate: straight line recalculation	(162)	572
	QCTO Contribution	397	-
	Maintenance, repairs and running costs	113	260
	Buildings & Equipment	94	244
	Fuel and Oil Motor Vehicles	18	15
	Advertising, marketing, promotions & communication	702	865
	Entertainment expenses	375	161
	Consultancy and service provider fees	2 272	959

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Internal audit fees			578	258
Other			1 695	701
External auditor's remuneration			1 670	1 501
Legal fees			849	186
Interest Paid			323	231
Cost of employment			13 920	12 890
Travel and subsistence			698	432
Staff wellness, training and development			743	908
Remuneration to members of the accounting authority			3 752	3 036
Remuneration as member of the Board & Committees			2 206	1 761
Travel Expenses, Accommodation and refreshments			816	725
Admin Expenses			511	332
Board members indemnity insurance			218	218
Remuneration to members of the audit committee			107	246
Other Administration Expenses			2 713	2 346
System costs			981	783
Printing, stationery and postage			628	405
Telephones			150	187
Skills Development Levies			201	181
Water and lights			276	189
Recruitment costs			105	201
Security Expenses			73	28
Insurances			128	124
Bank charges			80	61
Cleaning			69	81
Subscriptions			22	108
TOTAL ADMINISTRATION EXPENSES			32 560	27 657

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
		R'000	R'000
8.1	COST OF EMPLOYMENT		
	Salaries and wages	13 186	12 151
	Basic salaries	10 926	9 517
	Performance awards	1 080	1 498
	Other non-pension able allowance	404	567
	Temporary staff	136	328
	Leave payments	640	242
	Social contributions	734	738
	Medical aid contributions	157	152
	Pension contributions: defined contribution plans	530	540
	UIF & Compcom	47	46
		13 920	12 890
	Average number of employees	97	87
	Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the accounting authority, the Chief Executive Officer; the Chief Financial Officer and Senior Managers.		

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9	NON CURRENT ASSETS					
9.1	PROPERTY, PLANT AND EQUIPMENT					
		Cost	Accumulated depreciation	Closing carrying amount		
	Year ended 31 March 2014	R'000	R'000	R'000		
	Computer equipment	5 122	-2 369	2 753		
	Office furniture and fittings	1 769	-823	945		
	Motor vehicles	3 544	-1 610	1 934		
	Balance at end of period	10 435	(4 803)	5 633		
	Leased Assets	5 129	-2 217	2 912		
	Owned Assets	5 306	-2 586	2 721		
	Movement summary 2014	Carrying amount beginning of year	Additions	Disposals	Depreciation	Carrying amount end of year
		R'000	R'000	R'000	R'000	R'000
	Computer equipment	3 537	401	(181)	(1 004)	2 753
	Office furniture and fittings	1 146	190	(13)	(378)	945
	Motor vehicles	3 022	-	-	(1 088)	1 934
	Balance at end of period	7 706	591	(194)	(2 469)	5 633
			Cost	Accumulated depreciation	Closing carrying amount	
	Year ended 31 March 2013		R'000	R'000	R'000	
	Computer equipment		5 126	-1 588	3 537	
	Office furniture and fittings		1 730	-584	1 145	
	Motor vehicles		3 544	-522	3 022	
	Balance at end of period		10 399	-2 695	7 705	
	Leased Assets		5 078	-760	4 318	
	Owned Assets		5 321	-1 935	3 387	

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Movement summary 2013	Carrying amount beginning of year	Additions	Disposals	Depreciation	Carrying amount end of year
	R'000	R'000	R'000	R'000	R'000
Computer equipment	1 210	2 648	(52)	(269)	3 537
Office furniture and fittings	73	1 113	(2)	(38)	1 146
Motor vehicles	2	3 478	-	(458)	3 022
Balance at end of period	1 285	7 240	(54)	(765)	7 705

9.2 INTANGIBLE ASSETS					
			Cost	Accumulated Amortisation	Closing carrying amount
			R'000	R'000	R'000
Year ended 31 March 2014					
Computer Software			53	(23)	30
- Owned assets			43	(19)	24
- Leased assets			10	(4)	6
Movement summary 2014	Carrying amount beginning of year	Additions	Disposals	Amortisation	Carrying amount end of year
	R'000	R'000	R'000	R'000	R'000
Computer Software	45	-	-	(15)	30

			Cost	Accumulated Amortisation	Closing carrying amount
			R'000	R'000	R'000
Year ended 31 March 2013					
Computer Software			53	(8)	45
- Owned assets			43	(4)	39
- Leased assets			10	(4)	6
Movement summary 2013	Carrying amount beginning of year	Additions	Disposals	Amortisation	Carrying amount end of year
	R'000	R'000	R'000	R'000	R'000
Computer Software	-	53	-	(8)	45

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
10	TRADE AND OTHER RECEIVABLES	R'000	R'000
10.1	PREPAYMENTS		
	From Non Exchange transactions	93	6 614
10.2	FROM NON EXCHANGE TRANSACTIONS		
	Inter Seta receivable	-	34
	Employer receivables	726	3 798
		726	3 832
	<i>During the year under review an amount of R0.257 million was recognised as a receivable relating to overpayment of mandatory grants to employers in previous periods.</i>		
10.3	FROM EXCHANGE TRANSACTIONS		
	Sundry Debtors	377	690
11	CASH AND CASH EQUIVALENTS	2014	2013
		R'000	R'000
	Cash at bank and in hand	1 121	3 223
	Cash at bank	1 120	3 222
	Cash on hand	1	1
	Short term investments/instruments	157 949	122 007
	Cash and cash equivalents at end of year	159 070	125 230
	Included in Cash and Cash Equivalents is an amount of R 1.062 million which represents Donor Funding received and may only be utilised for the relevant projects.(See Note 15)		
	Included in Cash and Cash Equivalents is an amount of R 961 000 on fixed deposit as a security for a bank guarantee to the amount of R 933 000 issued to the landlord as deposit equivalent for the rental of the premises.		
	As required in Treasury Regulation 31.2, National Treasury approved the banks where the funds may be held. The weighted average interest rate on short term bank deposits was 4.5% (2013: 5.8%).		

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

12	OPERATING LEASE		
	Total of future minimum lease payments under non- cancellable leases		
		2014	2013
		R'000	R'000
	Not later than one year	362	4 109
	Later than one year and no later than five years	-	13 038
			17 147
	Later than five years	-	17 147
	The operating lease relates to building premises used for office accommodation and equipment rental. The building lease agreement was entered into effective 01 January 2012 and will be operational for a period of five years years, expiring on 31 December 2016. During November 2013 the landlord cancelled the lease on the basis of he redevelopment clause, the lease expired on 30 April 2014. A Bank guarentee to the amount of R933 000 was issued to the landlord as deposit equivalent for the rental of the premises		
13	LONG TERM LOANS/ FINANCE LEASE OBLIGATIONS	2014	2013
	There were three finance lease commitments		
13.1	FINANCE LEASE RELATED TO 5 PRINTERS		
	Future minimum Lease payments	301	446
	no later than one year	145	145
	later than one year n lt 5 yrs	156	301
	Future Finance Charges	(28)	(58)
	Present Value of finance liabilities	273	388
	Analysed for financial reporting purposes		
	Non-Current finance lease liabilty	149	274
	Current finance lease liabilty	125	114
	Finance lease liabilty	274	388

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13.2	FINANCE LEASE RELATED TO THE OUTREACH BUS		
	Future minimum Lease payments	2 760	4 140
	no later than one year	1 380	1 380
	later than one year n lt 5 yrs	1 380	2 760
	Future Finance Charges	(243)	(524)
	Present Value of finance liabilities	2 517	3 616
	ANALYSED FOR FINANCIAL REPORTING PURPOSES		
	Non-Current finance lease liability	1 315	2 517
	Current finance lease liability	1 202	1 099
	Finance lease liability	2 517	3 616
13.3	FINANCE LEASE RELATED TO 30 IPADS		
	Future minimum Lease payments	69	186
	no later than one year	55	158
	later than one year n lt 5 yrs	14	28
	Future Finance Charges	(3)	(10)
	Present Value of finance liabilities	66	176
	ANALYSED FOR FINANCIAL REPORTING PURPOSES		
	Non-Current finance lease liability	14	27
	Current finance lease liability	53	149
	Finance lease liability	67	176

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

			2014	2013	
			R'000	R'000	
14	TRADE AND OTHER PAYABLES				
14.1	Trade and Other Payables from exchange transactions				
	Service provider fees outstanding		12 434	10 853	
	Accrual for leave payments		1 352	1 140	
			13 787	11 993	
14.2	GRANTS AND TRANSFERS PAYABLE FROM NON-EXCHANGE TRANSACTIONS				
	Skills development grants payable	14.2.1	3 058	18 690	
	SMME/ SARS reversal grant payable	14.2.2	1 687	6 250	
	NSF/FET Grant Payable		24 543	-	
	Inter-SETA payable		68	168	
			29 357	25 107	
			R'000	R'000	R'000
14.2.1			Mandatory	2013/2014	2012/2013
	SKILLS DEVELOPMENT GRANTS PAYABLE		Grants		
	Opening carrying amount		18 690	18 690	9 374
	Amount utilised		(18 690)	(18 690)	(9 374)
	Change in estimate		3 058	3 058	18 690
	Closing carrying amount		3 058	3 058	18 690

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

14.2.2	SARS reversal grant payable	2014	2013
		R'000	R'000
	Opening balance	6 250	9 290
	Net effect of SARS adjustments for the current year	(4 563)	3 657
		1 687	6 250
	UIF Creditor	-	3 333
	Grants Payable	1 687	2 917
		-	
15	DONOR FUNDING RECEIVED IN ADVANCE		
		2014	2013
		R'000	R'000
15.1	DONOR FUNDING RECEIVED IN ADVANCE		
	Opening balance	1 062	626
	Received during the year	52	2 156
	Utilised and recognised as revenue-conditions met	(52)	(1 721)
	Olympic		(864)
	Layoff		(853)
	SA Host Other	(52)	(5)
	Closing Balance	1 062	1 062
<p>During the year, R0.112 million eligible project special expenses were incurred and a corresponding amount was recognised as revenue. At year end, R1.062 million continues to be accounted for as a liability until the remaining conditions attached have been met.</p>			

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

15.1.1 DONOR FUNDING RECEIVED IN ADVANCE: PER PROJECT

	R'000	R'000	R'000	R'000	R'000	R'000
	Research	Olympic	DEAT	SA Host	Layoff	Total
CLOSING BALANCE 2012	0	0	621	5	-	626
Interest Received				64		64
Income received	440	864			853	2 156
Utilised and recognised as income - conditions met		(864)		(69)	(853)	(1 785)
Closing Balance 2013	440	-	621	0	-	1 062
Interest Received						
Income received				52		52
Utilised and recognised as income - conditions met				(52)		(52)
Closing Balance 2013	440	-	621	0	-	1 062

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

16.1 PROVISIONS FROM EXCHANGE TRANSACTIONS			
		2014	2013
		R'000	R'000
EMPLOYEE BONUS PROVISION			
	Open carrying amount	402	677
	Amounts utilised	(402)	(677)
	Change in estimate	3 082	402
	Closing carrying amount (current)	3 082	402
<i>. Bonus provisions are calculated based on the conditions as stipulated in the contract of employment.</i>			
PROVISIONS FROM NON EXCHANGE TRANSACTIONS			
	SMME Creditor Provision		
	Open carrying amount	6 698	
	Amounts utilised	(6 698)	
	Change in estimate	2 898	6 698
	Closing carrying amount (current)	2 898	6 698
17 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET INCOME (DEFICIT)			
		2014	2013
		R'000	R'000
	Net income as per Statement of Financial Performance	18 053	2 068
	Adjusted for non-cash items:		
	Depreciation	2 484	1 315

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	Surplus/deficit on disposal of property, plant and equipment	166	6
	Provisions	213	(275)
	Grant provisions	549	13 067
	Special project income recognised	-	(1 721)
	ADJUSTED FOR ITEMS SEPARATELY DISCLOSED		
	Investment income	(5 110)	(5 444)
	Adjusted for working capital changes:		
	Increase in inventory	153	(224)
	Decrease/(Increase) in receivables	9 940	(7 285)
	Increase/(Decrease) in payables	4 162	4 293
	Cash generated by (utilised) in operations	30 609	5 799
18	CONTINGENCIES		
	In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. Surplus funds are defined as cash reserves less short term liabilities plus short term assets less any actual contractual contingent liability at year end. Application for the roll forward of these funds was done to National Treasury at the time of publishing of these financial statements no answer has been received.		
	Legal cases		
18.1.1			
18.1.2	THERE ARE NO OUTSTANDING LEGAL CASES.		
	New Companies		
	All employers that register in the last six months of the year has the right to submit Work Place Skills Plans within that six month period and CATHSSETA will on acceptance of the WSP be liable for the payment of Mandatory Grants . An amount of R 0.416 million was provided for in the Employer Grant Reserve for this purposes.		

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18.2	COMMITMENTS		-		
18.2.2	COMMITTED FUNDS: CONTINGENT CONTRACTUAL COMMITMENTS				
2012/2013	(RESTATED)				
Programme No	Description	Contingent Commitments (contractual)	Changes/ Additions	Actual Contractual Expenditure	Contingent Commitments (contractual)
		31/3/2012	2012/2013	2012/2013	31/03/2013
1	Research & Skills Planning	13 681	-	(1 318)	12 363
2	Sector Middle level Skills	108 592	-	(38 989)	69 602
3	Artisan Development	1 680	-	(420)	1 260
5	High level Scarce Skills	5 583	-	(1 205)	4 378
7	NCV Review	1 401	-	(1 401)	-
9	FET Capacity Building	2 533	-	(1 350)	1 183
10	Low level unemployed skills support	4 464	-	(1 948)	2 516
12	Support fro COOPS	1 200	-	(400)	800
13	Support for SMME's	20 626	-	(5 792)	14 834
14	Support for Trade Unions, NBO' and CBO's	3 183	3 090	(2 123)	4 150
16	Career Guidance	28 961	-	(7 042)	21 919
	Totals	191 902	3 090	(61 988)	133 004

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

2013/2014					
Programme No	Description	Contingent Commitments (contractual)	Changes/ Additions	Actual Contractual Expenditure	Contingent Commitments (contractual)
		31/03/2013	2013/2014	2013/2014	31/03/2014
1	Research & Skills planning	12 363	2 739	-5 400	9 702
2	Sector Middle level Skills	69 602	59 259	-42 610	86 251
3	Artisan Development	1 260	0	-516	744
5	High level Scarce Skills	4 378	2 009	-1 482	4 905
6	Research for innovation	0	6 451	-2 213	4 238
8	Quality Assurance	0	621	-243	378
9	FET Capacity Building	1 183	0	-217	966
10	Low level unemployed skills support	2 516	10 320	-9 069	3 767
12	Support fro COOPS	800	0	0	800
13	Support for SMME's	14 834	9 583	-4 923	19 494
14	Support for Trade Unions, NBO' and CBO's	4 150	-360	-1 595	2 195
16	Career Guidance	21 919	4 213	-14 267	11 866
	Totals	133 004	94 836	-82 535	145 306

Of the balance of R10,397 million available in the Discretionary reserve at the end of March 2014, R 109.36 million has been contractually committed from the reserve funds of the 2013/2014 financial year and R35.95 million was contractually committed from future years income (2014/15 till 2015/16).

These longer term contractual commitments were for multi year bursaries resulting in qualifications, Masters & PHD research bursaries and multi year agreements for lower level skills development. A request for the accumulation of these funds has been submitted to National Treasury. At the time of compiling the financial statements, no reply had been received.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

19	LOSSES THROUGH FRUITLESS AND WASTEFUL EXPENDITURE	
	THE FOLLOWING FRUITLESS AND WASTEFULL EXEPNDITURE WAS INCURRED DURING THE YEAR	
	2014	2013
	R'000	R'000
	Board and committee fees paid in meetings where no quoram was present	0
	Cost for tender of IT services cancelled due to changes in terms of reference	103
	Cost for tender of travel agency and Outreach Bus cancelled due to technical errors identified by the Adjudication Committee	64
		173
		64
20	EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE	
	During April 2014 a operating lease for the rental of new offices was signed for a period of seven years. The future commitment regarding this new lease is as follows:	
	One year	3 161
	Longer than one year but not five years	17 477
	Longer than five years	11 090
		28 567
	The operating lease relates to building premises used for office accommodation. The building lease agreement was entered into effective 01 May 2014 and will be operational for a period of seven years, expiring on 30 April 2021, with a cancellation clause for renewal of the CATHSSETA license in 2016. The rental esclates at 9% per annum.	
21	FINANCIAL INSTRUMENTS	
	In the course of the SETA operations it is exposed to interest rate, credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.	

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

21.1 CAPITAL RISK MANAGEMENT

CATHSSETA manages its capital to ensure that the projects of the organisation will be able to continue as a going concern while maximising the return on investments of surplus funds and ensuring continuous benefits for all stake holders. CATHSSETA overall strategy remains unchanged from the previous financial year.

21.2 CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2014			2013
	Interest Bearing	Non- interest Bearing	Total	Total
Year ended 31 March 2012				
Cash (Interest 4.8%)(2013 5.9%)	159 070		159 070	125 230
Accounts receivable		377	377	690
Total financial assets	159 070	377	159 447	125 921
LIABILITIES				
Accounts Payable		13 787	13 787	11 993
Finance lease obligations (Interest rate 9%)(2013 9%)	2 866		2 866	4 181
Total financial liabilities	2 866	13 787	16 653	16 173
Year ended 31 March 2012				
Total financial assets	159 070	377	159 447	125 921
Total financial liabilities	2 866	13 787	16 653	16 173

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

21.3 FINANCIAL RISK MANAGEMENT

CATHSSETA management monitors and manages the financial risk relating to operations of the organisation through internal risk reports which analyse exposure of risks. These risks include market risks including currency risk, fair value rate risk and price risk. Credit risk, liquidity risk and cash flow interest rate risk.

21.3.1 FOREIGN CURRENCY RISK

CATHSSETA has no exposure to foreign currency

21.3.2 INTEREST RATE RISK MANAGEMENT

CATHSSETA is exposed to interest rate risk as all surplus funds are invested in short term cash vehicles. Although changes in the current interest rate effect the income from these investments all income received from these investments is deemed to be income to the Discretionary Reserve and would not effect the productivity or existence of CATHSSETA directly. Further the bulk of the surplus funds are invested in fixed term fixed rate investment vehicles and are therefore not sensitive to interest changes.

21.3.3 PRICE RISK

As CATHSSETA has no investments in any form of equity there is no exposure to price risk

21.4 CREDIT RISK

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

			R'000		R'000	
			2014		2013	
The ageing of Trade and Other Receivables from exchange transactions:			Gross	Impairment	Gross	Impairment
Current			-	-	-	-
30 Days			377	-	690	-
Cash and Cash Equivalents			Gross	Impairment	Gross	Impairment
Current			1 121	-	3 223	-
30 Days			157 949	-	122 007	-

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

21.4.1 QUALITY OF CREDIT	
	All accounts receivable are with organisations well known to CATHSSETA and in the same industry as CATHSSETA. The Accounting authority has full trust in the quality of these accounts and did not deem it necessary to apply any further evaluation of credit quality.
21.4.2 FAIR VALUE ACCOUNTS RECEIVABLE	
	The fair value of accounts receivables approximates the carrying amount due to the relative short term maturity of these assets. The effect of discounting was considered and found to be immaterial."
21.4.3 ACCOUNTS RECEIVABLE; DEFAULTS; SECURITY AND PLEDGES	
	No accounts receivable has defaulted during the year and no alternative arrangements has been made with any accounts receivable during the year
	No security is held for any receivables
	No portion of the accounts receivable was pledged as security for any financial liabilities.
21.4.5 MAXIMUM EXPOSURE	
	The amount disclosed for Accounts Receivable represents the maximum exposure that credit risk pose to the entity.
21.4.6 CASH AND CASH EQUIVALENTS	
	The SETA management limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation. The CATHSSETA's exposure is continuously monitored by the Accounting Authority. Further the organisation has adopted a policy of only dealing with creditworthy counterparts. CATHSSETA only transact with Banks that are part of the "big five" registered banks in South Africa and which are approved by National Treasury as per the PFMA, the credit and investment ratings of the mentioned banks are monitored on a continues basis with international credit rating agencies to ensure the mitigation of any risks involved. CATHSSETA's has developed a comprehensive Investment Policy in compliance with the PFMA which ensures that all the surplus fund investments are invested between at least three registered banks and that at each bank no more that 50% is invested in up to maximum three month fixed deposit with balance in money market or call accounts.
	An interest change sensitivity analysis resulted in immaterial effect on the Cash and Cash equivalents of the entity.
	The amount disclosed for Cash and Cash Equivalents represents the maximum exposure that credit risk pose to the entity.
21.5 LIQUIDITY RISK	
	Ultimate responsibility for the liquidity risk management rest with the board of CATHSSETA, which has built an appropriate liquidity risk management framework for the management of CATHSSETA's short, medium and long term funding and liquidity management requirements. CATHSSETA manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

2013/2014	R'000					
	Carrying Amounts	Contractual Cash Flows	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
Trade and other payables from exchange transactions	377		377			
Finance lease obligations	2 866		690	690	743	739
2012/2013	R'000					
Trade and other payables from exchange transactions	690		690			
Finance lease obligations	4 181	-	841	841	1 545	954

21.5.1 DEFAULT

The entity has never defaulted on any of the accounts payable nor were any of the terms attached to the accounts payable ever re-negotiated.

21.6 FAIR VALUES

Recognised Financial Instruments

Financial instruments recognised in the CATHSSETA Statement of Financial Position includes cash and cash equivalents, trade and other receivables, trade and other payables. The particular recognition methods adopted are disclosed in Note 1 to the financial statements.

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

22 RELATED PARTY TRANSACTIONS

As all SETAs are under the common control of the Department of Higher Education all transactions between the SETAs are disclosed below.

22.1 Transactions with other SETAs

Interest transactions and balances arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs.

	2014	2013	2014	2013	2014	2013
	TRANSFER IN		TRANSFER OUT		(PAYABLE)/RECEIVABLES	
	R'000		R'000		R'000	
NSF					(24 543)	
INSETA			11	3		
MERSETA						(24)
SERVICES SETA				45		34
FASSET	264	5				
BANKSETA		28				
MICT-SETA			248	203	(60)	(144)
W&R SETA				1	(8)	
	264	33	259	252	(24 611)	(133)

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

23	ACCOUNTING STANDARDS	
23.1	ACCOUNTING STANDARDS APPROVED AND APPLIED WHERE APPLICABLE IN THESE FINANCIAL STATEMENTS	
	GRAP 1	Presentation of Financial Statements (as revised in 2010)
	GRAP 2	Cash Flow Statements (as revised in 2010)
	GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors (as revised in 2010)
	GRAP 4	The Effects of Changes in Foreign Exchange Rates (as revised in 2010)
	GRAP 5	Borrowing Costs
	GRAP 6	Consolidated and Separate Financial Statements
	GRAP 7	Investments in Associates
	GRAP 8	Interests in Joint Ventures
	GRAP 9	Revenue from Exchange Transactions (as revised in 2010)
	GRAP 10	Financial Reporting in Hyperinflationary Economies (as revised in 2010)
	GRAP 11	Construction Contracts (as revised in 2010)
	GRAP 12	Inventories (as revised in 2010)
	GRAP 13	Leases (as revised in 2010)
	GRAP 14	Events After the Reporting Date (as revised in 2010)
	GRAP 16	Investment Property (as revised in 2010)
	GRAP 17	Property, Plant and Equipment (as revised in 2010)
	GRAP 19	Provisions, Contingent Liabilities and Contingent Assets (as revised in 2010)
	GRAP 21	Impairment of Non Cash Generating Items
	GRAP 23	Revenue from Non-Exchange transactions
	GRAP 24	Presentation of Budget Information in the Financial statements
	GRAP 25	Employee Benefits
	GRAP 26	Impairment of Cash Generating Assets
	GRAP 27	Agriculture
	GRAP 31	Intangible Assets
	GRAP 100	Non-current Assets Held for Sale and Discontinued Operations (as revised in 2010)
	GRAP 103	Heritage Assets

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

GRAP 104	Financial Instruments
IPSAS 20	Related Party Disclosures
IFRS 4 (AC 141)	Insurance Contracts
IFRS 6 (AC 143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC 102)	Income Taxes
SIC - 21 (AC 421)	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC - 25 (AC 425)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
SIC - 29 (AC 429)	Service Concession Arrangements – Disclosures
IFRIC 12 (AC 445)	Service Concession Arrangements

23.2 NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements there were standards in issue but only effective from a later date. These include the following standards that should not have a material impact on future financial statements.

GRAP 20	Related Party Disclosures	Approved effective date not determined
GRAP 18	Segment Reporting	Approved effective date not determined
GRAP 32	Service Concession Arrangements	Approved effective date not determined
GRAP 105	Transfers of functions between entities under common control	Approved effective date not determined
GRAP 106	Transfers of functions between entities not under common control	Approved effective date not determined
GRAP 107	Mergers	Approved effective date not determined
GRAP 108	Statutory Receivables	Approved effective date not determined

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

24 RESTATEMENT OF PREVIOUS YEARS FINANCIAL STATEMENTS

During the preparation of the Annual Financial Statements for the financial year ending 31 March 2014 management found that errors were made in the calculation of the Commitments Note (Note 18) these errors were corrected and the amounts restated in this financial year.

The error amounted to an overstatement of commitments in the 2012/2013 financial year to an amount of R6.410 million, the error had no effect on the Statements of Financial Performance, the Statement of Financial Position or the Statement of Movement in Equity.

During the audit of the Annual Financial Statements for the financial year ending 31 March 2014 it was found that the following errors were made:

The SMME creditors to the value of R 6.698 million was incorrectly disclosed as an accounts payable instead of a provision, Property, Plant and Equipment useful lives were reassessed resulting in an adjustment in the prior year figures of R 541.079.00

SUMMARY OF RESTATEMENT				Restated	
		2013		2013	
STATEMENT OF FINANCIAL PERFORMANCE		R'000	Correction	R'000	
Expenses					
Admin Expenses		27 657	(541)	27 116	
Net Income		2 068	541	2 609	

STATEMENT OF CHANGES IN NET ASSETS		R'000	R'000	R'000	R'000	R'000
		Administration reserve	Employer grant reserve	Discretionary reserve	Accumulated deficit	Total
Balance at 31 March 2013		3 029	1 090	90 523	-	94 642
Change in PPE Usefull Life Estimate					541	541
Allocation of Accumulated Income				541	(541)	-
Restated Balance 31 March 2013		3 029	1 090	91 064	-	95 183

ANNUAL FINANCIAL STATEMENTS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

STATEMENT OF FINANCIAL POSITION			Restated
	2013		2013
	R'000	Correction	R'000
Accounts Payable from non exchange transactions	31 805	(6 698)	25 107
Provisions from non exchange transactions	-	6 698	6 698
Property, Plant& Equipment	7 164	541	7 705

CATHSSETA
01 Newtown Avenue
Ground Floor
Killarney
Johannesburg
2193

www.cathsseta.org.za

ISBN 9781770187269
RP 223/2214



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

