

## MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF EWSETA HELD ON FRIDAY, 05 FEBRUARY 2021 AT 10:00

<p><b>FACILITATOR</b></p> <p>Ms. Candice Moodley</p> <p><b>PRESENT</b></p> <ul style="list-style-type: none"> <li>✓ Accounting Authority of EWSETA</li> <li>✓ EWSETA Management</li> <li>✓ Independent Members of the Audit and Risk Committee</li> <li>✓ Representatives from the Department of Higher Education and Training</li> <li>✓ Stakeholders from the Energy and Water Sector</li> </ul>
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The facilitator guided the attendees on the use of the EWSETA LiveHub which hosted the virtual AGM.

### 1. ADOPTION OF THE AGENDA

<b>Agenda</b>	
<p><b>10.00</b></p> <p>Room opens for guests</p>	<p><b>11.30 – 11.40</b></p> <p>Adoption of the Annual Report <i>Facilitator: Candice Moodley</i></p>
<p><b>10.10 – 10:20</b></p> <p>Navigating the EWSETA LiveHub Adoption of the Agenda <i>Facilitator: Candice Moodley EWSETA Corporate Services Executive</i></p>	<p><b>11.40 – 12.10</b></p> <p>Brief Overview of EWSETA Strategic Plan 2020/21 – 2024/25 <i>Mpho Mookapele (EWSETA CEO)</i></p> <p>EWSETA Annual Performance Plan 2021/22 <i>Kabelo Masilo (EWSETA Planning and Monitoring Manager)</i></p>
<p><b>10.20 – 10:40</b></p> <p>Official Welcome and Board Chairperson Address <i>Dr Limakatso Moorosi (EWSETA Chairperson)</i></p>	<p><b>12.10 – 12.15</b></p> <p>Live Stakeholder Survey <i>Facilitator: Candice Moodley</i></p>
<p><b>10.40 – 11:30</b></p> <p>2019/20 Performance 2019/20 Financial Statements and AG Report <i>Mpho Mookapele (EWSETA CEO)</i></p>	<p><b>12.15 – 12.30</b></p> <p>Closing Remarks <i>Dr Limakatso Moorosi (EWSETA Chairperson)</i></p>

Ms. Amanda Jordan moved to adopt and Mr. Dickson Kutsawa seconded the adoption of the agenda.

### 2. OFFICIAL WELCOME AND BOARD CHAIRPERSON ADDRESS

The Chairperson, Dr Limakatso Moorosi, welcomed everyone present and gave an overview of the mandate and strategic scope as well as the corporate governance outline and organisational performance highlights.

**Mandate and Strategic Scope:**

EWSETA is mandated to anticipate, build, plan, and manage skills development and training needs in the energy and water sectors as directed by the National Skills Development Plan 2030. It seeks to create a sustainable future through skills and will achieve this through research to determine the skills demand, facilitation, and coordination of skills development programmes to respond to sectoral challenges, driving excellence through quality assurance and fostering an ecosystem in energy and water that creates inclusive economic development.

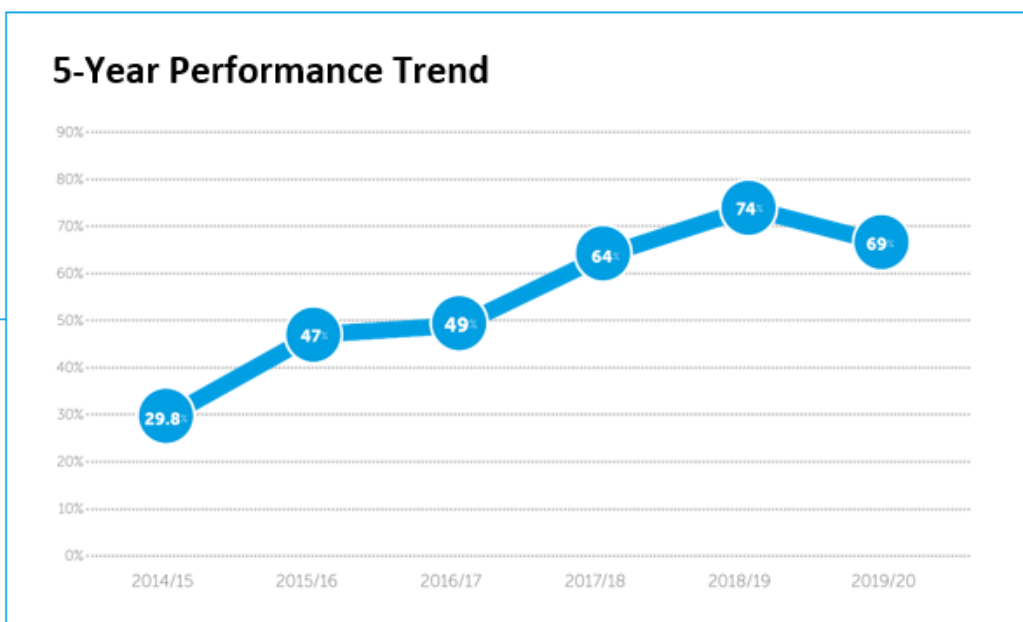
**Corporate Governance Overview:**

On 31 March 2020, the term of office of the outgoing accounting authority ended and the Minister of Higher Education, Science and Technology appointed new members for a 5-year term ending 31 March 2025. The composition of the accounting authority is as follows:

- Total of 14 members plus Chairperson.
- One third of members were retained from the outgoing accounting authority.
- Six members are representative from Organised Labour.
- Six members are representative from Organised Employer.
- One member represents Professional Bodies.
- One member represents Community Organisations.

**Organisational Performance against the APP Targets:**

The year 2019/20 was the 5th and final year of implementation of the 5-year strategy. The graph below reflects the 5-year performance trends which show an increase from 47% in 2015/16 to 69% in 2019/20.



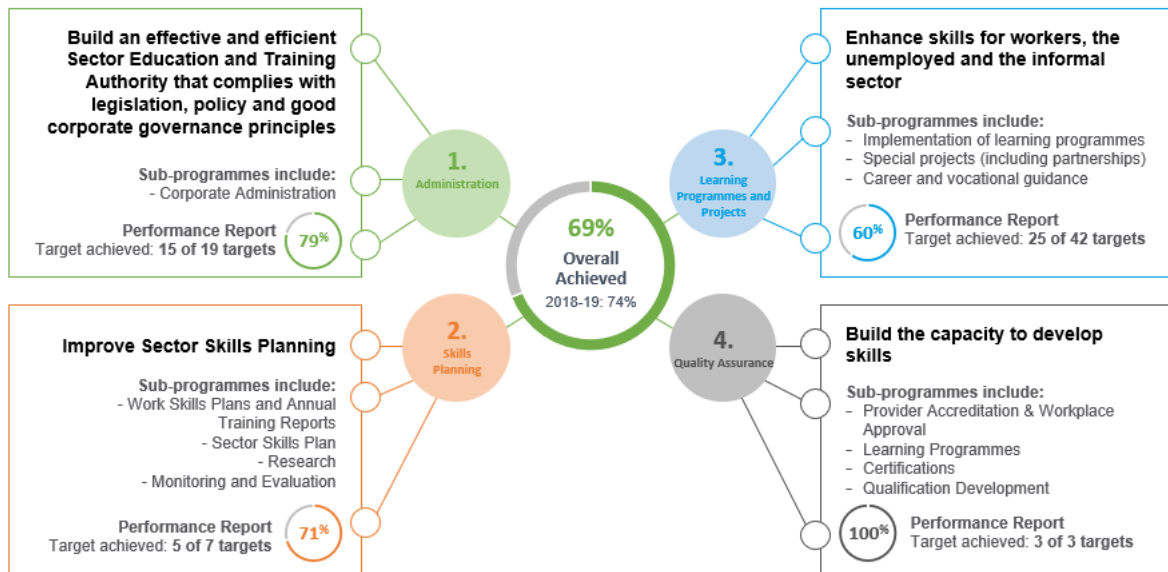
The factors that contributed to improved performance included good governance practices and oversight, changes in discretionary grant process and internal efficiencies, new strategic partnerships and projects co-funding.

**3. PERFORMANCE, FINANCIAL STATEMENTS AND REPORT OF THE AUDITO-GENERAL**

The CEO, Ms. Mpho Mookapele, acknowledged the skills development providers that were present and thanked them for the work they have done to help capacitate the people of South Africa in the energy and water sector.

She then presented the performance report within the context of the National Skills Development Strategy III which was the basis for the strategy of EWSETA for 5 years. The challenges that were encountered during the implementation of the strategy were highlighted, namely: the triple burden, acceleration of growth and equity, rapid technological advancement, limited revenue and climate change.

The summary of the organisational performance in 2019/20 is depicted in the graph below:

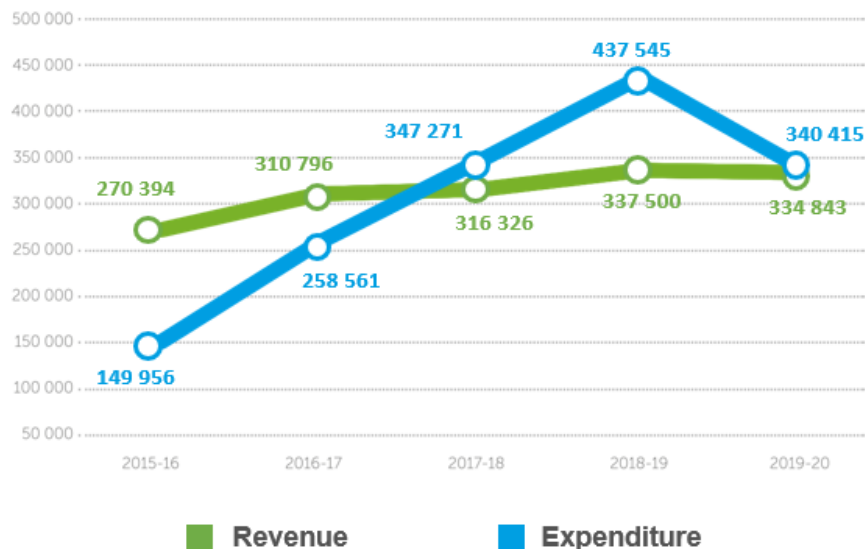


The CEO reported that the provincial budget allocations showed that Gauteng received the biggest budget and this was because of the high number of employers that were willing to accept trainees in the energy and water sector.

On the War on Leaks programme that was launched in 2018 to address the impact that the water leaks and burst pipes have on the country’s economy and water resources, it was reported that Phases 1&2 of the training of youth were completed with low employment rate post qualification. EWSETA was in liaison with the Department of Water and Sanitation in this regard to help improve the placement of the qualified artisans and water agents.

**Finance Report:**

The revenue and expenditure trends for the last 5-years are shown in the graph below. An increase in the skills development levy revenue was seen at an average rate of 7%. The grant expenditure steady increase over the last 4 years resulted in increased rate of project completions and improved performance. The cost containment measures were also implemented 2019/20 resulting in 22% decrease in total expenditure in administration spend.



There was good pay-out rate over last 2 years of 87% due to higher number employers qualifying for mandatory grants. The increase in the submissions was due to new sector entrants, more employers complying with submission deadlines, increased employer understanding of the value of workplace skills plan and annual training reports, increased knowledge of EWSETA systems, employer capacity initiatives and increased stakeholder engagement. The EWSETA's levy base comprised small (67%), medium (22%) and large (11%) organisations.

On the organisational expenditure: 32% related to employee costs while 68% was general expenses like consultant costs, forensic investigations. The 10.5% administration budget was exceeded which resulted in the irregular expenditure.

The financial position reflected a decrease in the total assets compared to prior year, mainly because of the forensic investigations concluded. There was also a decrease in the liabilities. The commitments decreased significantly. R872m was a commitment relating to the War on Leaks project. The Phase 3 commitment is fully funded by department of water and sanitation and will thus be paid once the funds have been received.

#### **Audit Outcomes:**

The financial statements fairly represented the financial affairs of the entity. There were no material findings on usefulness and reliability of performance information reported. On compliance with legislation, material misstatements were identified in the financial statements, and there was irregular expenditure disclosed.

Controls have been put in place to ensure optimal finance policy implementation and human resource capacity, review of the operating model due to unaffordable operational activities. With the administration expenditure exceeding the administration income, there were measures being put in place to curb the expenditure and the organisational redesign project was one such exercise to ensure cost containment.

#### **4. ADOPTION OF THE ANNUAL REPORT**

Ms Rahima moved for the adoption of the annual report and Mr Jordan seconded. The Annual Report for the financial year 2019/20 was adopted.

#### **5. EWSETA STRATEGIC PLAN 2020/21 – 2024/25 & ANNUAL PERFORMANCE PLAN 2021/22**

The EWSETA will place focus on the triple social burden, rapid technology advancement, climate change, stakeholder partnerships, economic revival, organisational efficiencies and governance.

The mandate and strategic scope will be achieved through the participation of energy subsector (83%) and water subsector (17%).

#### **Annual Performance Plan 2021/22 (APP)**

The APP has been arranged into 4 programmes that respond to the 5 strategic pillars of EWSETA as follows:

Programme 1: *Administration* with the improved SETA performance as its outcome.

Programme 2: *Skills planning* for enhanced learning programmes for occupations in high demand.

Programme 3: *Learning programmes and projects* for increased access to occupations in high demand as well as increased skills capacity through workplace-based learning, increased economic participation and support for growth of college system.

Programme 4: *Quality assurance* to enable the execution of the delegated functions of the QCTO.

## **6. LIVE STAKEHOLDER SURVEY**

The link was posted for all attendees to respond to the survey regarding the virtual AGM system that was developed by EWSETA. Attendees were also asked to respond to questions regarding the impact Covid19 has had on conducting training by the skills development providers and the way forward thereof.

## **7. CLOSING REMARKS**

The Chairperson indicated that EWSETA will continue to carry out the mandate from the shareholder to ensure that:

- a) There is an explosion of training in the workplace. This would happen with strengthening of partnerships with industry.
- b) EWSETA will contribute towards economic recovery plan and decrease household poverty.
- c) The women and disabled people will also be prioritised. A new area for exploration was training of people who were retrenched due to Covid.
- d) Payment of stipends could not be over-emphasised and EWSETA was expected to comply.
- e) The highest standards of governance will be maintained at all times, and the accounting authority would deal with any issues arising that might be a hindrance to governance as a matter of priority.

## **8. MEETING CLOSURE**

The facilitator thanked all the stakeholders for coming to EWSETA's virtual AGM.

The comments that were posted in the chat sheet would be responded to and sent to all the attendees. Furthermore, the comments would be factored into the next strategic planning to ensure continuous improvement and achievement of high performance culture.

—ENDS—