



ENERGY AND WATER SECTOR
EDUCATION AND TRAINING AUTHORITY

ANNUAL REPORT 2020/21

ADAPTABILITY
THROUGH
DISRUPTION



The real value added by SETAs is their understanding of labour market issues in their respective industrial and economic sectors. SETAs must ensure that they are backed by employers and workers, acknowledged as credible and authoritative in skills development with the ability to create interventions and shape solutions that address skills needs. SETAs must become recognised experts in relation to skills demand within their sectors."

Doctor Blade Nzimande,
Minister of Higher Education,
Science and Innovation

On behalf of the Accounting Authority and in terms of Section 65 of the Public Finance Management Act, 1 of 1999, I take great pleasure in presenting the Energy and Water Sector Education and Training Authority (EWSETA) Annual Report for the 2020/21 financial period to the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande.

The report reflects the overall performance of the EWSETA in pursuit of its mandate as well as its contributions, with partners and stakeholders, to skills development and training in South Africa's critically important energy and water sectors.

The Auditor-General of South Africa audited the performance information and annual financial statements and the Accounting Authority endorsed the report based on the assurance of accuracy by the EWSETA management and internal audit function.

The EWSETA remains fully committed, in collaboration with the Department of Higher Education and Training, to implementing the outcomes of the NSDP 2030 for greater impact in skills development in two sectors that are critical to South Africa's economic and societal well-being.

Dr Limakatso Moorosi
EWSETA Accounting Authority Chairperson
31 July 2021

Adaptability through DISRUPTION

2020 will go down in history as the year where the world was thrown into a state of disarray as a result of the COVID-19 pandemic that continues to grip human society as this report is being finalised.

It was a year where a 'new normal' was the only option. In this, our 2020/21 Annual Report, the EWSETA overviews and celebrates the manner in which EWSETA's Accounting Authority, management and staff responded to the many challenges that the pandemic brought with it.

We would like to take this opportunity to thank our Energy and Water stakeholders for their support, understanding and patience throughout. To those who have fallen victim to COVID-19 and have recovered, we remain in awe of your courage and strength and to all who have lost loved ones be they family or friend, we offer you our sincerest condolences and these words of encouragement from Helen Keller *"What we once enjoyed and loved we can never lose, for all that we love deeply becomes part of us."*

SETA 2020/21 ANNUAL REPORT

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PART A

GENERAL INFORMATION

“What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead”

NELSON MANDELA



ENTITY GENERAL INFORMATION

Registered name	Energy and Water Sector Education and Training Authority (EWSETA)
Street address	Ground Floor Building B, Sunnyside Office Park, 32 Princess of Wales Terrace, Parktown, Johannesburg, 2198, South Africa
Postal address	PO Box 5983, Johannesburg, 2000
Telephone	+27 (0)11 274 4700
Fax	+27 (0)11 484 8953 / +27 (0)11 484 1078
Email	info@ewseta.org.za
Website	http://www.ewseta.org.za
RP	RP126/2021
ISBN	978-0-621-49411-2
External Auditor	Auditor-General of South Africa
Bankers	First National Bank / Rand Merchant Bank / Standard Bank

ABBREVIATIONS AND ACRONYMS

4IR	4th Industrial Revolution
AET	Adult Education and Training
AGM	Annual General Meeting
AOP	Annual Operational Plan
APP	Annual Performance Plan
AQP	Assessment Quality Provider
ARC	Audit and Risk Committee
ATR	Annual Training Report
CBO	Community Based Organisation
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
COO	Chief Operating Officer

CSE	Corporate Services Executive
CSIR	Council for Scientific and Industrial Research
CUT	Central University of Technology
DG	Discretionary Grant
DHET	Department of Higher Education and Training
DHSWS	Department of Human Settlements, Water and Sanitation
ECSA	Engineering Council of South Africa
ERRP	Economic Reconstruction and Recovery Plan
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FinRemco	Financial and Remuneration Committee
FY	Financial year
GRAP	Generally Recognised Accounting Practice
GSC	Governance and Strategy Committee
HEI	Higher Education Institution
HET	Higher Education and Training
HRDS-SA	Human Resources Development Strategy for South Africa
IMASA	Independent Municipal Allied Trade Union
IOPSA	The Institute of Plumbing South Africa
IPAP	Industrial Policy Action Plan
IRP	Integrated Resource Plan
JET	Just Energy Transition
KOBWA	Komati Basin Water Authority
LMIS	Labour Market Information System
MEF	Monitoring and Evaluation Framework
MoU	Memorandum of Understanding
MIS	Management Information System
NAMB	National Artisan Moderation Body

NBI	National Business Initiative
NDP	National Development Plan
NGP	New Growth Path
NGO	Non-Governmental Organisation
NLPE	Non-Levy Paying Employer
NPO	Non-Profit Organisation
NSDP	National Skills Development Plan 2030
NSDS	National Skills Development Strategy
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
NWRS	National Water Resource Strategy
OD	Organisational Design
OFO	Organising Framework for Occupations
OM	Operating Model
PSET	Post School Education and Training
PIRB	Plumbing Industry Registration Board
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PFMA	Public Financial Management Act, 1 of 1999
QAC	Quality Assurance and Compliance
QACC	Quality Assurance and Compliance Committee
QAS	Quality Assurance Standard
QCTO	Quality Council for Trades and Occupations
QMR	Quarterly Management Report
SACNASP	South African Council for Natural Science Professions
SAMWU	South African Municipal Workers Union
SANEA	South African National Energy Association

SANEDI	South African National Energy Development Institute
SAPVIA	South African Photovoltaic Industry Association
SAQA	South African Qualifications Authority
SDA	Skills Development Act, 97 of 1998 (as amended)
SDL	Skills Development Levy
SEIFSA	Steel and Engineering Industries Federation of South Africa
SETA	Sector Education and Training Authority
SIP	Strategic Integrated Projects
SLA	Service Level Agreement
SMME	Small Medium Micro Enterprise
SP	Strategic Plan 2020/21 – 2024/25
SSP	Sector Skills Plan
TCTA	Trans Caledon Tunnel Authority
The	Minister Minister of Higher Education Science and Innovation
TUT	Tshwane University of Technology
TVET	Technical Vocational Education and Training
UOT	University of Technology
UP	University of Pretoria
WBL	Work-based Learning
WIL	Work Integrated Learning
WISA	Water Institute of Southern Africa
WITS	University of the Witwatersrand
WoL	War on Leaks
WPPSET	White Paper for Post School Education and Training
WRC	Water Research Commission
WSP	Workplace Skills Plan
WTE	Water Trading Entity



FOREWORD BY THE CHAIRPERSON

As evidenced by my colleagues’ observations in this year’s Annual Report, this period under review has been a time for reflection and resourcefulness, a time of forced separations and remote working, yet, in parallel, it has served as a time to bring us closer together as a cohesive entity.

This period under review was the first year of the National Skills Development Plan 2030, with the Accounting Authority commencing its tenure on 1 April 2020.

Owing to the pandemic and the safety regulations around it, a fair portion of my onboarding was conducted remotely, with me undergoing an induction session on 28 – 29 May 2020. This was complemented by the office of the CEO which, in collaboration with the Chairpersons of the committees that were in place in 2019/20, prepared a comprehensive handover document that aided in bringing the new members of the Accounting Authority up to speed on the status of numerous activities that were current at the time.

In addition, the Chairpersons of all 21 SETAs met with the Minister of Higher Education, Science, and Innovation (the Minister), Dr Blade Nzimande, who outlined some key areas of focus for the incumbent SETA Accounting Authorities.

During this period, with financial and procedural considerations in mind, the committee structures changed and were pruned from seven to the present

four, including EXCO and ARC, thereby streamlining processes and reducing the number of governance committee meetings required.

The period under review also saw us implement the first year of EWSETA’s 2020/21 to 2024/25 Strategic Plan, wherein our tactic is ‘to improve economic participation’, aligning us with the five strategic pillars that underpin our mandate:

- Establish a high-performance culture.
- Develop a credible mechanism for identification of skills demand and supply
- Close the scarce and critical skills gap.
- Intensify Continuous Professional Development and career guidance.
- Positively contribute to an inclusive economic development.

The Strategic Plan also takes into consideration provisions in the DHET SLA, including support for:

- Imperatives contained within Job Summit Agreements.
- Temporary Employee and Employer Relief Scheme as and when needed by the sector.
- Centres of Specialisation and support for International Scholarships.
- World Skills South Africa.
- Revitalisation of Rural and Townships Local Economy.

We will continue to focus on these critical points during the next 12-month period.

CHALLENGES

With running the risk of repetition around the impact of COVID-19, the combination of the extended lockdown measures with the declaration of the 4-month SDL holiday impacted significantly on the roll out of our learning programmes, as service delivery in some operational areas is mostly office-based or requires travel.

In addition, working remotely and isolation necessitated extensive online interaction with members of the Accounting Authority, without the opportunity to meet in person. While the communication stream was smooth, issues were addressed, solutions found, and solidarity built, working at a distance is never quite the same as the camaraderie experienced through physical proximity.

OUR SECTORS

During the ongoing lockdown, that brought with it the need to adapt to the changing lockdown levels, the energy and water sectors remain essential services and were therefore largely unaffected by lockdown measures.

However, numerous smaller organisations, particularly in the energy sector, were forced to close doors, which in turn impacted on the income stream into the EWSETA during the period. This, coupled with the ongoing load shedding continues to beleaguer the energy sector and thus, the coming review period will have a strong focus on green energy solutions and Public Private Partnerships (PPPs).

The past year, nevertheless, strengthened the EWSETA’s strategic relationships with key

government departments, including the DHET, Department of Minerals and Energy and the Department of Human Settlements, Water and Sanitation.

We also undertook extensive work with other key sectoral stakeholders, and, through collaboration and strategising, we addressed several issues that will see daylight and implementation in the new period, with a strong focus on preparation for what needs to be achieved in the strategic period leading up to March 2025.

During the period under review, the new CEO, Mpho Mookapele was appointed, bringing a new energy to the EWSETA. Mpho is dedicated to youth development and is passionate about the public sector. Her young, dynamic and driven outlook saw her competently steer the EWSETA through this tumultuous period, displaying clear evidence of strong and ethical qualities that make her a respected leader.

We are fully confident that the organisation is in the hands of the right person to realise our strategic goals and take us into the next period of our evolution, competently and with vision.

ACKNOWLEDGEMENTS

I appreciate the valued input and support from the Minister, his guidance and feedback that has kept the EWSETA on course.

My sincerest thanks and gratitude to the Accounting Authority and all sub-committees for their expert guidance and contributions in finding solutions and forging a way forward. I also acknowledge and thank the Executive team for flying the flag

high in the face of extreme disruption, change and challenges. Thank you for keeping our sights on the goal, the vision in our minds and giving us all cause to celebrate our successes when achieved.

To all the staff at EWSETA who rose to the challenge, I commend you all on your commitment and dedication, your unwavering determination to see us through this trying time and last, but by no means least, I acknowledge and thank all our sector stakeholders who partnered with and worked closely with EWSETA during this period under review.

CONCLUSION

While we have come through an extremely difficult period this past year, it has also been a period of growth and development, of digging deep in trying circumstances and coming up with solutions and meeting challenges head-on.

This period has furnished all EWSETA staff with skills, knowledge and experience that will stand us all in good stead for the future.

I am honoured to be a part of such a tight-knit team of individuals who pulled together to overcome our challenges. I look forward to working with all stakeholders as EWSETA seeks to achieve its strategic goals in both the medium- and long-term.

Dr Limakatso Moorosi
Chairperson
31 July 2021



CHIEF EXECUTIVE OFFICER'S OVERVIEW

Reflecting on 2020/21 is impossible without referencing COVID-19. The pandemic has impacted every sector of business across the globe, and the EWSETA is no exception. While our systems and processes were disrupted and service delivery had to continue under the unexpected lockdown, we were also required to adapt and pivot to ensure the continued smooth running of the SETA and continual skills development for the sector.

Many of the adaptations and procedural changes we encountered were unavoidable. In fact, they brought about a forced change which resulted in the SETA drawing on a level of resourcefulness that was not previously tapped into. The upside of the unexpected rapid change is that the SETA emerged a stronger, more cohesive entity, better prepared to face adversity.

OVERVIEW OF THE PAST PERIOD

It behoved on me to come to terms with recognising that in this unfamiliar climate, change was inevitable, and therefore, understanding the change, accepting it, and planning around it was a priority. It was important that the organisation was aware that we had to rapidly move and adapt to the new normal. That there were going to be unforeseen and unexpected changes and adaptation was to be the order of the day.

Constant communication and clarity became the much-needed oil to ensure the organisation keeps moving through the turbulence of change and that no one is left behind. This required improved communication internally and externally and increased channels of communication. Creativity and innovation in a very legislated environment the SETA operates in became critical. Due to the unfamiliar waters chartered, we were aware that not all solutions initiated would work and it was important to accept this and move in order to stay on track. This was a time to introduce new processes and/or procedures to ensure business continuity.

In collaboration with the sector, we needed to find solutions to ensure that we capacitate the energy and the water sector with the required skills within a rapidly shifting environment.

During the 2020/21 financial period, the organisation experienced a number of capacity constraints due to loss of critical staff. This brought about an additional challenge whilst navigating the unprecedented change. As the organisation was in the process of an organisational design (OD) review process, recruitment of new talent had to be halted to allow the OD review process to be concluded and this put more pressure on human capacity. This required short term recruitment in certain roles and shared responsibilities amongst existing capacity.

“ The period under review saw the SETA play an important role in determining the critical skills required by the energy and the water sector within the context of a pandemic. Working with the relevant sector associations, the SETA developed a list of skills in demand to drive economic growth. These skills sets have been identified as critical energy and water skills embedded in the Economic Recovery and Reconstruction Plan (ERRP) skills strategy to ensure the ERRP objectives are achieved ”

This led to the discovery of skillsets and talents within the organisation, elimination of existing silos and more inter-departmental collaboration that led to operational efficiencies. There was an incredible sense of ownership and involvement, with many people volunteering suggestions and input, all keen and eager to see us through the stormy waters.

ACHIEVEMENTS FOR PERIOD UNDER REVIEW

In the midst of the challenges experienced by the PSET system, EWSETA recorded a performance achievement against the set APP target of 68%. This represents a 1% decrease on the prior year's performance.

The financial year noted improved sector participation in skills development as a result of sector engagements in prior years. The implementation of the new partnership model saw strategic partnerships with employers and skills development providers being established and contributing to meeting EWSETA objectives. The levy payer base increased by 14 employers and a 19% increase in the submission of WSPs and ATRs on the previous financial period is to be celebrated as this will result in improved and credible planning data.

Increased focus was placed on the Just Energy Transition and, through partnering with local and international partners, we sought to identify skills development priorities that will ensure no one is left behind as the Just Energy Transition plays out in the country.

It was in this context that we partnered with the Department of Science and Innovation, the South African Institute of International Affairs (SAIIA) and other private and public partners to drive research on the readiness of TVET colleges to drive skills development in support of the Hydrogen Economy in South Africa, very specifically along the Hydrogen Valley. As a consortium, we submitted a proposal for funding to the UKPACT and were successful in sourcing funding for the proposed research.

The 2020/21 financial period saw the launch of our flagship programme in partnership with Wits Business School to develop women for executive roles in the energy and water sector. In March 2021, a group of 19 women were funded by EWSETA to go through an Executive Development Programme at Wits Business School. Whilst this is only a small step in the right direction, it is nevertheless a critical one. Year-on-year, our Sector Skills Plan has noted that the sector is dominated by men, particularly in managerial positions. It is important that women in these sectors are capacitated with

the relevant executive development skills that will see more women in leadership roles and close the gender gap.

The SDL holiday impacted income during the period and the EWSETA received skills development levies totalling R209 million, whereas in the previous period, an amount of R308 million was received. This resulted in decreased DG and mandatory grant expenditure, that in turn impacted critical reskilling and upskilling.

The control environment in place at the EWSETA has seen us maintain an unqualified audit opinion from the Auditor-General of South Africa. Even though a number of challenges were experienced in this reporting period, the SETA is committed to implementing the AGSA recommendations and control improvements remain a high priority.

OVERCOMING CHALLENGES IN A DISRUPTIVE ENVIRONMENT

Financial and human resource challenges were carefully managed to ensure minimal impact on the organisation's ability to meet its set objectives. In view of a high-performance culture, the SETA is required to be customer centric, to have efficient and effective operation processes, relevant and appropriate capabilities and adequate funding. The EWSETA Accounting Authority is charged with

approving an organisational design review process to ensure that the financial and capacity challenges are resolved.

To overcome the financial constraints brought about by the regulations of the SDL holiday, the SETA's planned performance was adjusted to ensure that realistic and achievable targets were set for the 2020/21 period. This was achieved through a review of the 2020/21 annual performance plan and the reprioritisation of funds to critical skills development interventions within the organisation's financial means.

This past year also saw capacitation challenges with the departure in December 2021 of our Chief Operations Officer, Mr Ineeleng Molete. This is a role that is responsible for the implementation of projects and quality assurance, and his departure left a significant void in the core business areas.

Due to the organisation review process, no significant appointments were made during the year where certain roles and capabilities were still being assessed. This meant the role remained vacant for the last quarter of the year. To close the capacity gaps, the SETA partnered with industry subject matter experts to ensure mitigation of potential risks that could materialise due to vacancies in the operations department.

As I took on the role as Chief Executive Officer after serving as a Chief Financial Officer, there was a vacancy at executive level in the finance department. As required per the Public Finance Management Act, a Chief Financial Officer was appointed in March 2021. The organisation welcomes Ms Robyn

Vilakazi who took on role at a critical time to close of the 2020/21 financial period.

One major challenge experienced was the inability to ensure consistent continuity of skills development interventions during the lockdown period. Where virtual learning could not be implemented by providers, this resulted in completion delays. The knock-on effect on performance resulted in 32% targets not being achieved.

To ensure projects continuity, the SETA reviewed the current project monitoring processes to allow virtual learner induction and project due diligence to be conducted. These interventions meant reduced risk of spreading COVID-19 and ensuring that the SETA continues with project implementation.

Whilst the pandemic has affected the PSET system, the organisation was agile enough to adapt to the forced rapid change to ensure that skills development is not halted during the pandemic.

The challenge of timely certification of learners was magnified during the financial period. The backlog of certification reached unacceptable levels. To clear the backlog, a partnership with the National Artisan Moderating Body and Quality Council for Trades and Occupations was strengthened to ensure effective finalisation of the certification process. Additional capacity was sourced through the appointment of interns and contact employees to speed up the process of clearing the backlog. We are confident that the certification backlog will be cleared in the first half of the new financial year.

FINANCIAL OUTLOOK

EWSETA has been one of the SETAs with the lowest revenue for a number of years. With a critical mandate of capacitating the energy and water sector, it is important that the organisation has adequate financial resources to carry out this mandate. It is important that within the limited funding we address the skills challenges in the sector. The following plans and approaches have been identified to improve the financial health of the organisation:



The changes in the energy landscape arising from the transition to clean energy brings about opportunities to improve the financial outlook of the SETA.

IPPs are playing an increasingly important role in the energy mix. This, and the President's announcement in June 2021 regarding the increase to the licensing threshold for embedded generation projects from 1 MW to 100 MW has opened the playing field. It is anticipated that these factors will result in an increase in SMMEs and a shift to renewable energy by many companies.

Although the 2021/22 financial period may not see a full recovery from the impact of the pandemic, the medium to long term will see an improvement in our financial status, more so with the implementation of the new operational design model. The application to National Treasury to retain surplus to the amount of R212.8 million was approved.

The SETA reported a deficit of R134 836 for the 2020/21 period. A significant portion of the deficit relates to the outcome of forensic investigations. Certain assets were required to be impaired and therefore significant impairment losses were recorded. EWSETA is pursuing legal action to recover some of the losses incurred.

EVENTS POST REPORTING PERIOD

There have been no material events after reporting period that affect the financial statement.

A significant loss to the SETA was the sad and sudden passing of our Accounting Authority

Member, Mr Ndlela Radebe, on 4 August 2021. Since 2018, Mr Radebe has served on the EWSETA Accounting Authority with diligence and commitment. The SETA is grateful for his service and contribution.

On 10 June 2021, President Cyril Ramaphosa announced that Schedule 2 of the Electricity Regulation Act will be amended to increase the licensing threshold for embedded generation projects from 1 MW to 100 MW and once registered will be able to connect to the grid.

On 5 August 2021, Mr Senzo Mchunu was announced as the new Minister of Water and Sanitation.

ACKNOWLEDGMENTS AND APPRECIATION

First, my gratitude to our stakeholders in the energy and water sector who pulled together during the pandemic to ensure skills capacitation of the labour force. I thank the industry associations for their meaningful engagements to ensure that we adapted and moved with the changes that were brought on by the pandemic.

I would like to extend my appreciation to the Minister of Higher Education, Science, and Innovation, Dr Blade Nzimande for entrusting us with capacitation of the energy and water sector and his leadership in skills development.

For their guidance and stoicism during a difficult time, thank you to the Accounting Authority for its strategic direction and governance that fostered a healthy environment that is conducive

to innovation and growth. I would like to acknowledge the Chairperson, Dr Limakatso Moorosi and the SETA's Accounting Authority, for entrusting me with the responsibility to drive in the strategic direction they envisage for the SETA.

To team EWSETA, I thank you all for your fortitude and innovation, for your courage to step up to the plate during an arduous time. Without your commitment, resilience and initiative, your enthusiasm and unfailing participation demonstrated during the year, getting the SETA through one of its most trying times, we would not be here, able to report back on a successful voyage, these past 12 months. Thank you!

And finally, my gratitude to our COO, Mr Ineeleng Molete for his service to the organisation. Mr Molete served the SETA for five years and his contribution to the human capital and improved processes in the organisation does not go unnoticed. I wish him much success and impact in his new role.

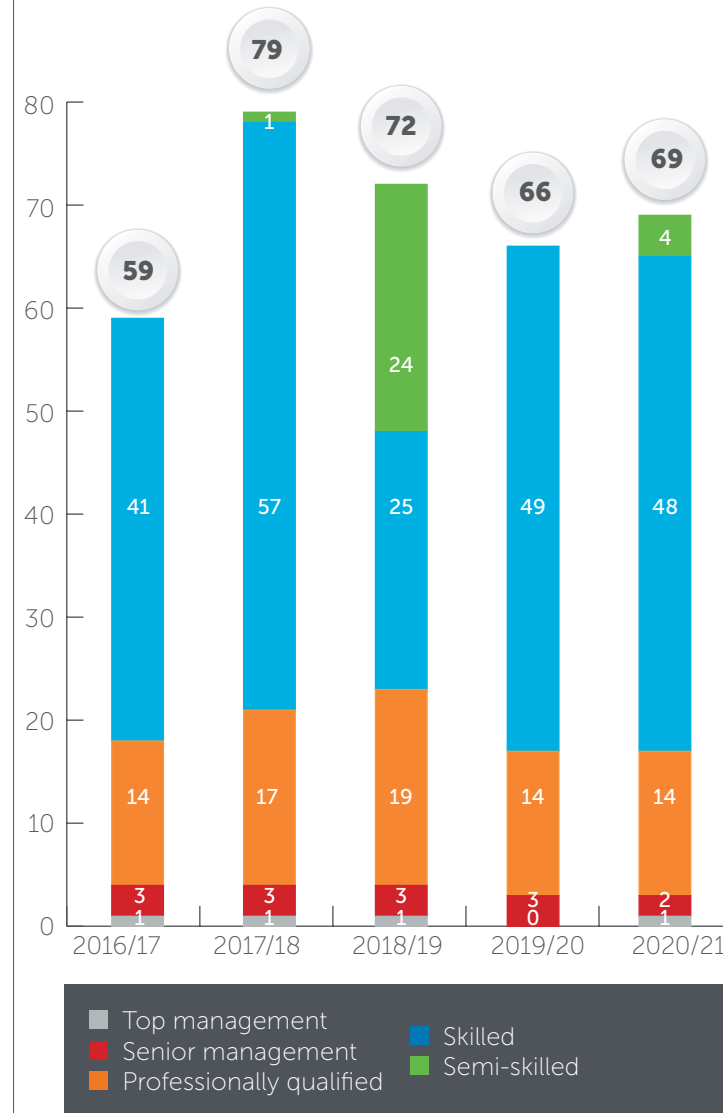
I look forward with eagerness to the next financial period where much is expected from a training authority for two critical sectors. I am confident that EWSETA will achieve its skills development goal and impact these sectors.

Mpho Mookapele
Chief Executive Officer
31 July 2021

KEY PERFORMANCE STATISTICS AGAINST 5-YEAR STRATEGIC PLAN TARGETS

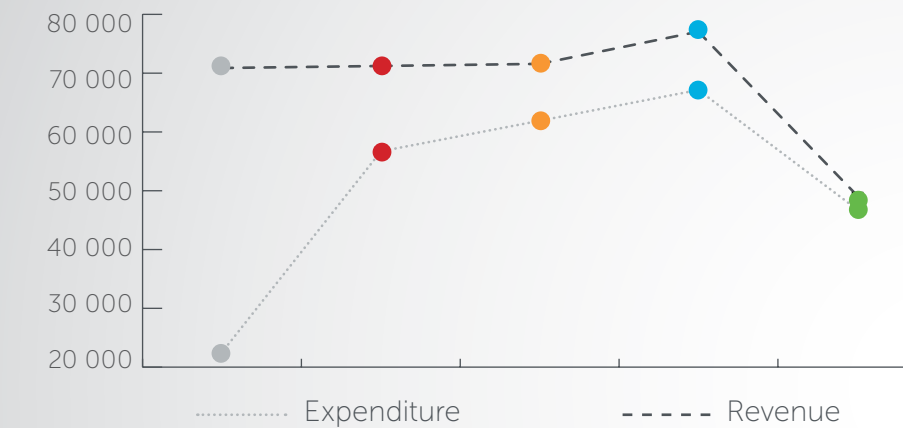
	Five-year target (to 31 March 2025)	Actual Achievement as at 31 March 2021
 Number of learners enrolling in EWSETA occupations	7 000	701
 Number of workers participating in learning programmes	6 000	1 993
 Number of CBO/NGOs/ NPOs/ SMMEs supported with training interventions	175	20
 Number of career guidance events for high school learners	200	64
 Number of workshops with career development practitioners	40	11
 Number of new qualifications developed per Industry needs	20	2

EMPLOYEES PER LEVEL OVER 5-YEAR PERIOD

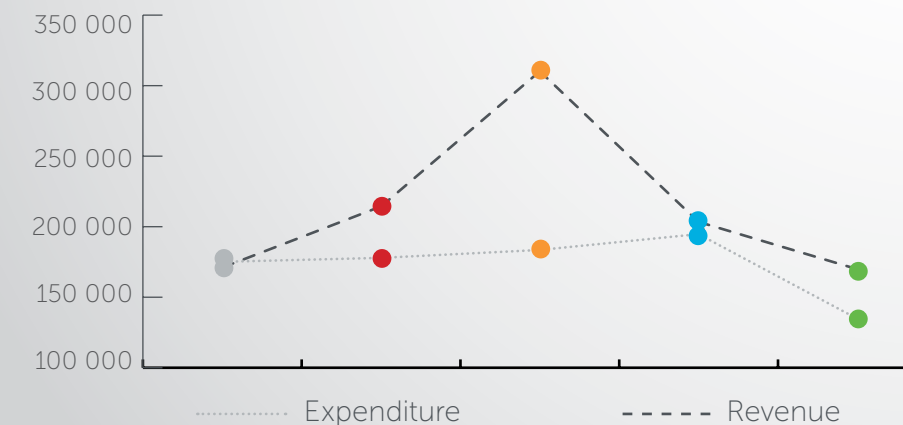


2016/17 2017/18 2018/19 2019/20 2020/21

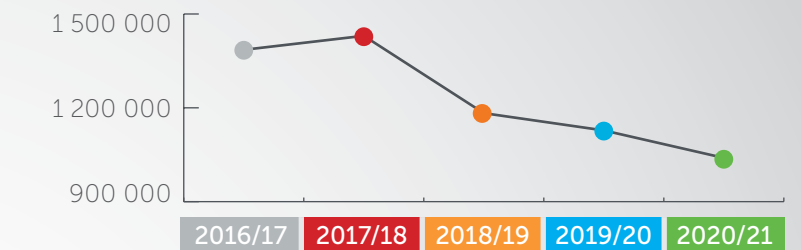
MANDATORY GRANTS: REVENUE VS EXPENDITURE OVER 5 FINANCIAL YEARS



DISCRETIONARY GRANTS: REVENUE VS EXPENDITURE OVER 5 FINANCIAL YEARS



TOTAL DISCRETIONARY GRANTS COMMITMENTS: OVER 5 FINANCIAL YEARS



	2016/17	2017/18	2018/19	2019/20	2020/21
AET Programme	514	1 076	1 062	125	181
Apprenticeship Programme	1 231 875	1 265 193	1 059 740	1 068 892	995 353
Bursaries	25 582	25 452	19 149	915	195
Internship Programme	28 384	62 174	38 961	11 346	12 537
Learnership Programme	70 295	43 090	44 272	35 063	17 900
Trade Union	-	-	-	-	4 000
Candidacy	-	-	-	-	225
Skills Programme	26 469	32 877	17 346	9 202	6 070
Research	4 077	2 648	1 507	554	554
	1 387 196	1 432 510	1 182 037	1 126 097	1 037 015

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General.
- The annual report is complete, accurate and is free 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 Generally Recognised Accounting Practice (GRAP) standards applicable to a 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 controls that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.

Yours faithfully



Chief Executive Officer
Mpho Mookapele
31 July 2021



Chairperson of the Accounting Authority
Dr Limakatso Moorosi
31 July 2021

“It is clear that good corporate governance makes good sense. The name of the game for a company in the 21st Century will be conform while it performs”

MERVYN KING
(CHAIRMAN: KING REPORT)

STRATEGIC OVERVIEW

The Energy and Water Sector Education and Training Authority (EWSETA) is one of 21 SETAs established in terms of Section 9 of the Skills Development Act (SDA), 97 of 1998, as amended, and reports to the Honourable Minister of Higher Education, Science and Innovation.

The information provided here is aligned to the EWSETA's new five-year strategy (2020/21 – 2024/25), of which implementation started on 1 April 2020.

MANDATE

To anticipate, build and strategically plan and manage skills development and training needs in the energy and water sectors as directed by the National Skills Development Plan 2030.

VISION

To create a sustainable tomorrow today, through skills.

MISSION

We will achieve our vision through:

- Research to determine the skills demand
- Facilitating and coordinating skills development programmes to respond to sectoral challenges
- Driving excellence through quality assurance

- Fostering an ecosystem in energy and water that creates inclusive economic development.

VALUES

Our values are the bedrock of our decisions, actions, performance and interaction with all our stakeholders. Our values drive our behaviour and through them we create an environment conducive to a high performance organisational culture.

Respect: A sense of value and trust towards each other and stakeholders

Integrity: We act with honesty and integrity, not compromising the truth

Teaming: Positively contributing and collaborating towards the greater vision

Excellence: Striving for the best in all our actions.

OUR STRATEGIC INTENT

The 2030 vision set out in the National Development Plan (NDP) requires the country to achieve high levels of economic growth and the need to address unemployment, poverty and inequality. It therefore calls on social partners to work together and invest in skills development in order to achieve the outcomes of the National Skills Development Plan (NSDP), which is an educated, skilled and capable workforce for South Africa. The EWSETA will work towards contributing to the achievement of government

priorities as set out in the Medium-Term Strategic Framework (MTSF 2019 - 2024).

The EWSETA has identified the following strategic pillars to ensure that the desired impact in the skills development space is achieved.



The implementation of EWSETA's strategic plan to 31 March 2025, will be monitored to ensure that the short-term outcomes and the intended impact is achieved. Management will ensure adequate resources such as finance, human capital and infrastructure are in place to drive the implementation of the strategy.

SCOPE

Within our scope that comprises South Africa's energy and water sectors, we also serve the energy subsectors of electricity, oil and gas, nuclear and renewable energy and the water subsectors of collection, purification and distribution, waste and sewage and refuse and sanitation.

LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

The Constitution of the Republic of South Africa forms the basis of an education system that values human dignity, equality, human rights, freedom, non-racism and non-sexism. Section 29 (1) guarantees the right to a basic education (including adult basic education) for all and to continued education that the state must make progressively available and accessible. Section 22 enshrines the right of every citizen to choose their trade, occupation or profession freely. The EWSETA therefore has to facilitate access to education and training for all, with a focus on trade occupational qualifications, in the energy and water sectors.

LEGISLATIVE MANDATE

EWSETA derives its mandate from the Skills Development Act (SDA), 97 of 1998, as amended. Within that mandate, our key responsibilities are to:

- Develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Plan 2030
- Implement the SSP by:
 - establishing learning programmes
 - approving Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs)
 - allocating grants to employers, education and skills development providers and workers according to prescribed standards and criteria
 - monitoring the provision of education and skills development in the sector.
- Promote learning programmes by:
 - identifying workplaces for practical work experience
 - supporting the development of learning materials
 - improving facilitated learning.
- Conclude and register learning programme agreements as required
- Perform functions delegated by Section 26 of the Quality Council for Trades and Occupations (QCTO)
- Collect EWSETA-allocated skills development levies
- Liaise with the National Skills Authority (NSA) on related policy, strategy and SSP.

The legislation, regulations and policies listed here inform and guide our strategy and operations:

Skills Development Levies Act, 9 of 1998 (as amended 9 of 1999):

- To provide for the imposition of a skills development levy (National Qualifications Framework Act, 67 of 2008)
- To provide for the further development, organisation and governance of the National Qualifications Framework (NQF)

Further Education and Training Act, 98 of 1998:

- To establish a national, coordinated, further education and training system that promotes co-operative governance and provides programme-based further education and training

Public Finance Management Act, 1 of 1999:

- To secure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of the institutions to which the Act applies

Promotion of Access to Information Act, 2 of 2000:

- To give effect to the constitutional right of access to state-held information (Promotion of Administrative Justice Act, 3 of 2000)
- To give effect to administrative action that is lawful, reasonable and procedurally fair

Preferential Procurement Policy Framework Act, 5 of 2000:

- To guide procurement in government where a preference point system must be followed

White Paper for Post-School Education and Training, 2013:

- To improve post-school education and training system capacity
- To set policies that guide the DHET and institutions for which it is responsible to contribute to building a developmental state with a vibrant democracy and a flourishing economy

NATIONAL STRATEGIES, POLICIES, PLANS AND FRAMEWORKS

The following national strategies, policies and plans impact directly or indirectly on skills development in the energy and water sectors:

- The National Development Plan (NDP): Overarching longterm plan for South Africa to eliminate poverty and reduce inequality by 2030 through faster and more inclusive economic growth
- The National Skills Development Plan (NSDP) 2030: Derived from the NDP to guarantee adequate, suitable, high-quality skills that contribute to growth, job creation and social development
- The Human Resource Development Strategy for South Africa (HRDS-SA): Coherent, national human resource development framework within which all HRD-oriented policies operate.
- Industrial Policy Action Plans (IPAP 2): Sets out key actions and timeframes for the implementation of industrial policy.
- National Infrastructure Plan, including 18 Strategic Integrated Projects (SIPs): Plan to

transform the economic landscape, create new jobs, strengthen the delivery of basic services and support the integration of African economies.

- New Growth Path (NGP): Series of State/private sector partnerships to enhance growth, employment creation and equity with a target of 5 million jobs by 2020.
- White Paper on Post-School Education and Training: Framework for the post-school system stakeholders that combines three major components – education and training, skills development and the world of work.

SECTOR-SPECIFIC FRAMEWORK REGULATIONS

The EWSETA's operations are informed and influenced by a number of sector-specific framework regulations:

- The Strategic Framework for Water Services, 2003: Sets out a comprehensive approach for the provision of water services.
- The National Water Resource Strategy (NWRS): Provides a framework for the use, development, conservation, management and control of water resources.

- Water Services Act, 108 of 1997: Provides for the rightsof-access to basic water supply and sanitation and sets national standards and tariffs.
- National Water Act, 36 of 1998: Acknowledges the National Government's overall responsibility for, authority over and use of the nation's water resources.
- Municipal Structures Act, 117 of 1998: Provides for the establishment of municipalities.
- The Municipal Systems Act, 32 of 2000: Provides for the core principles, mechanisms and processes that enable municipalities to, socially and economically, uplift local communities.
- Municipal Finance Management Act, 56 of 2003: Promotes good financial management to maximise service delivery.
- Nuclear Energy Act, 46 of 1999: Provides for the establishment of the South African Nuclear Energy Corporation Limited.
- National Nuclear Regulator Act, 47 of 1999: Provides for the protection of persons, property and the environment against nuclear damage through safety standards and regulatory practices.
- National Energy Act, 34 of 2008: Promotes the availability of diverse energy resources in sustainable quantities and at affordable prices.

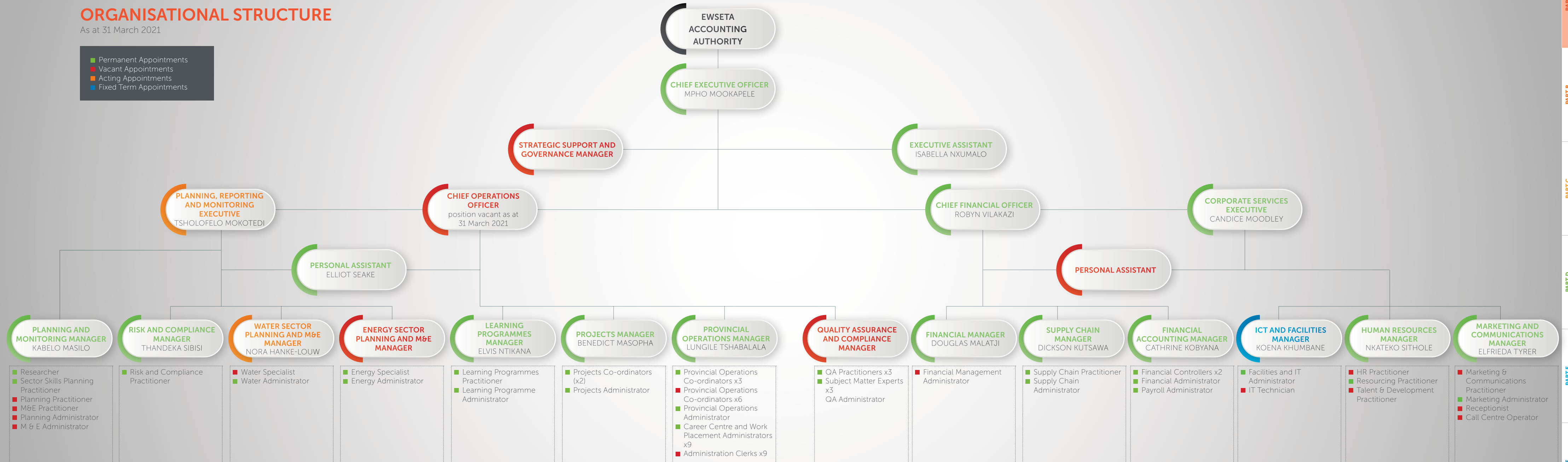
“This plan envisions a South Africa where everyone feels free yet bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work. Realising such a society will require transformation of the economy and focused efforts to build the country's capabilities. To eliminate poverty and reduce inequality, the economy must grow faster and in ways that benefit all South Africans”

NDP 2030

ORGANISATIONAL STRUCTURE

As at 31 March 2021

- Permanent Appointments
- Vacant Appointments
- Acting Appointments
- Fixed Term Appointments





PART B

PERFORMANCE INFORMATION

“When we least expect it, life sets us a challenge to test our courage and willingness to change; at such a moment, there is no point in pretending that nothing has happened or in saying that we are not yet ready. The challenge will not wait. Life does not look back”

PAULO COELHO

STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

The EWSETA's Chief Executive Officer is responsible for the authority's performance information and related judgements, as well for establishing and implementing internal controls that reasonably assure the integrity and reliability of the performance information. In my opinion, the performance information in this annual report reflects fairly our achievements against the strategic objectives, indicators and targets in the EWSETA Strategy 2020/21 – 2024/25 and the Annual Performance Plan 2020/21 for the financial year ended March 2021.

The external auditors express an opinion on the EWSETA's performance in their report on pages 76 - 80 of this report. The Accounting Authority of the EWSETA approved the performance information set out in this document.



Mpho Mookapele
Chief Executive Officer
31 July 2021

AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to AG Report pages 76 - 80.



Auditing to build public confidence

SITUATIONAL ANALYSIS

SERVICE DELIVERY ENVIRONMENT

The EWSETA is mandated to serve South Africa's critical energy and water sectors, that are in turn divided into 15 sub-sectors. In 2020, the EWSETA had 969 levy-paying and 1401 non-levy paying companies registered. The fact that non-levy paying employers far outweigh the number of levy-paying organisations poses a financial challenge for the EWSETA.

Industry partnerships are critical to the success of the EWSETA exercising its skills development mandate. The EWSETA works in direct collaboration with the Department of Higher Education, Science and Innovation; the Department of Mineral Resources and Energy; and the Department of Human Settlements, Water and Sanitation.

Key role players include: Eskom, Sasol, Independent Power Producers, Petronet, Petrosa, municipalities, fuel distributors, the Southern African Power Pool, domestic and industrial users of energy and water, SANEDI, water tribunals, catchment agencies, the Water Trading Entity (WTE), Trans-Caledon Tunnel Authority (TCTA), Water Boards, Komati Basin Water Authority (KOBWA), domestic water user associations and the Water Research Commission (WRC). In addition, the EWSETA works closely with:

- Professional Bodies: ECSA, PIRB and SACNASP
- Labour relations and collective bargaining bodies: NUM, NUMSA, IMATU, SAMWU
- Other industry bodies: WISA, NBI, SANEA, SAPVIA, IOPSA, CSIR

- Public HEIs, private HEIs, TVET Colleges, CET Colleges and private colleges

ORGANISATIONAL ENVIRONMENT

The emergence of the new SETA landscape, governed by the National Skills Development Plan gazetted in March 2019 and commenced on 1 April 2021, requires SETAs to establish a functional operational structure and staff compliment appropriate to the size of the sector, levy income and administration budget limits.

To this end, during the period under review, the EWSETA started an Operating Model (OM) and Organisational Design (OD) development process to thoroughly and critically review the EWSETA's organisational system holistically including processes and people, in order to deliver value and the implementation of the outcomes will be during this strategic period.

Two key factors impacted the organisation and its operations during the period under review.

The first of these is the National State of Emergency and accompanying lockdown in response to the COVID-19 pandemic and the four-month skills development levy holiday that effectively resulted in the EWSETA losing one-third of its anticipated income for the period. Both of these subjects have been addressed extensively throughout this Annual Report.

In addition, Mpho Mookapele the organisation's appointed CFO served as the Acting CEO until the end October 2020. This meant that the organisation was not able to appoint a permanent CFO, that brought with it some instability within the Finance Branch. Following the appointment of Mpho

Mookapele as the CEO in November 2020, the organisation was able to commence recruitment for a CFO and Robyn Vilakazi was appointed to this position in March 2021.

The Chief Operating Officer, Ineeleng Molete, left the organisation at the end of December 2020, and this position remained vacant until the end of the financial period being reviewed.

Furthermore, several key managerial positions within the organisation have remained vacant during this period. These positions were not filled initially due to the moratorium placed on any recruitment by the Department of Higher Education and Training at the start of the lockdown. Then subsequently as a result of the Organisational Design process. More information on this matter is available in the Human Resources Section of the Annual Report.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the period under review, the following factors in some way informed the activities of the EWSETA.

- Implementation of the National Skills Development Plan (NSDP) 2030 as from 1 April 2020. This 10-year plan will serve as the guiding strategy for the development of the Post School Education and Training (PSET) Sector.
- The introduction of the South African Economic Reconstruction and Recovery Plan by President Cyril Ramaphosa in October 2020, is expected to have a significant impact on the skills needs in South Africa's energy and water sectors as the country seeks to place the economy on a sustainable recovery trajectory.

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The information below briefly details how the EWSETA intends achieving the outcomes outlined in the National Skills Development Plan 2030 and the Medium-Term Strategic Framework (MSTF) 2019 - 24 Priority 3: Education, Skills and Health

Outcomes	Outcome indicators	Baseline	Five-year Target (to 31 March 2025)	Achievement as at 31 March 2021
1. Improved SETA performance	1.1 Percentage of targets achieved against approved APP targets	74	100% of APP targets achieved	68%
	1.2 Annual stakeholder satisfaction survey index	90	90%	Capacity and financial constraints prevented a stakeholder survey taking place in 2020/21
	1.3 AGSA audit outcome	Unqualified Audit	Unqualified audit without emphasis on matter	Unqualified audit
	1.4 Development and Implementation of an Operating Model and Organisational Design	NA	100% Implementation of Organisational Design Strategy	By the end of 2020/21, the draft Operating Model and Proposed Organisational Structure was completed. In 2021/22 implementation and roll out will commence following Accounting Authority approval.
2. Enhanced learning programmes for occupations in high demand	2.1 (%) Learners confirming their learning programme is directly related to the work they undertake	NA	80%	84%
	2.2 (%) Increased employability of completers/graduates	NA	70%	55%
3. Improved organisational learning on performance of programmes	3.1 Rating of organisational learning by employees.	N/A	80% positive rating	N/A
4. Increased access for occupations in high demand within the energy and water sector by 2024	4.1 Ratio of discretionary grant budget allocated to high (H), intermediate (I) and elementary (E) level skills.	H: I: E = 10:70:20	H: I: E = 25:60:15	H : I : E = 28 : 48 : 23
	4.2 Number of learners enrolling in EWSETA occupations in high demand.	6 976	7 000	701

Outcomes	Outcome indicators	Baseline	Five-year Target (to 31 March 2025)	Achievement as at 31 March 2021
5. Increased skills capacity through workplace-based learning	5.1 No of workplace-based learning interventions.	150	200	17 interventions comprising artisanships, learnerships, work integrated learning and internships commenced in the period under review.
	5.2 No of workers participating in learning programmes.	5 635	6 000	1 993
6. Increased economical participation of CBOs/ NGOs/ NPOs/SMMEs within the energy and water sector	6.1 Number of CBO/NGOs/ / NPOs/ SMMEs supported with training interventions	139	175	20
	6.2 No of entrepreneurship enterprises and cooperatives developed.	26	50	0
7. Increased support for the growth of college system	7.1 No of public colleges supported.	25	35	7
8. Increased uptake of careers in energy and water sectors	8.1 Number of career guidance events/activities where EWSETA is exposed to high school learners	N/A	200	64
	8.2 Workshops with career development practitioners where details on careers in energy and water sectors are provided	New Indicator	40	11
9. Updated qualifications that are aligned to the current skills training needs	9.1 Number of new qualifications developed as per Industry needs.	18	20	2

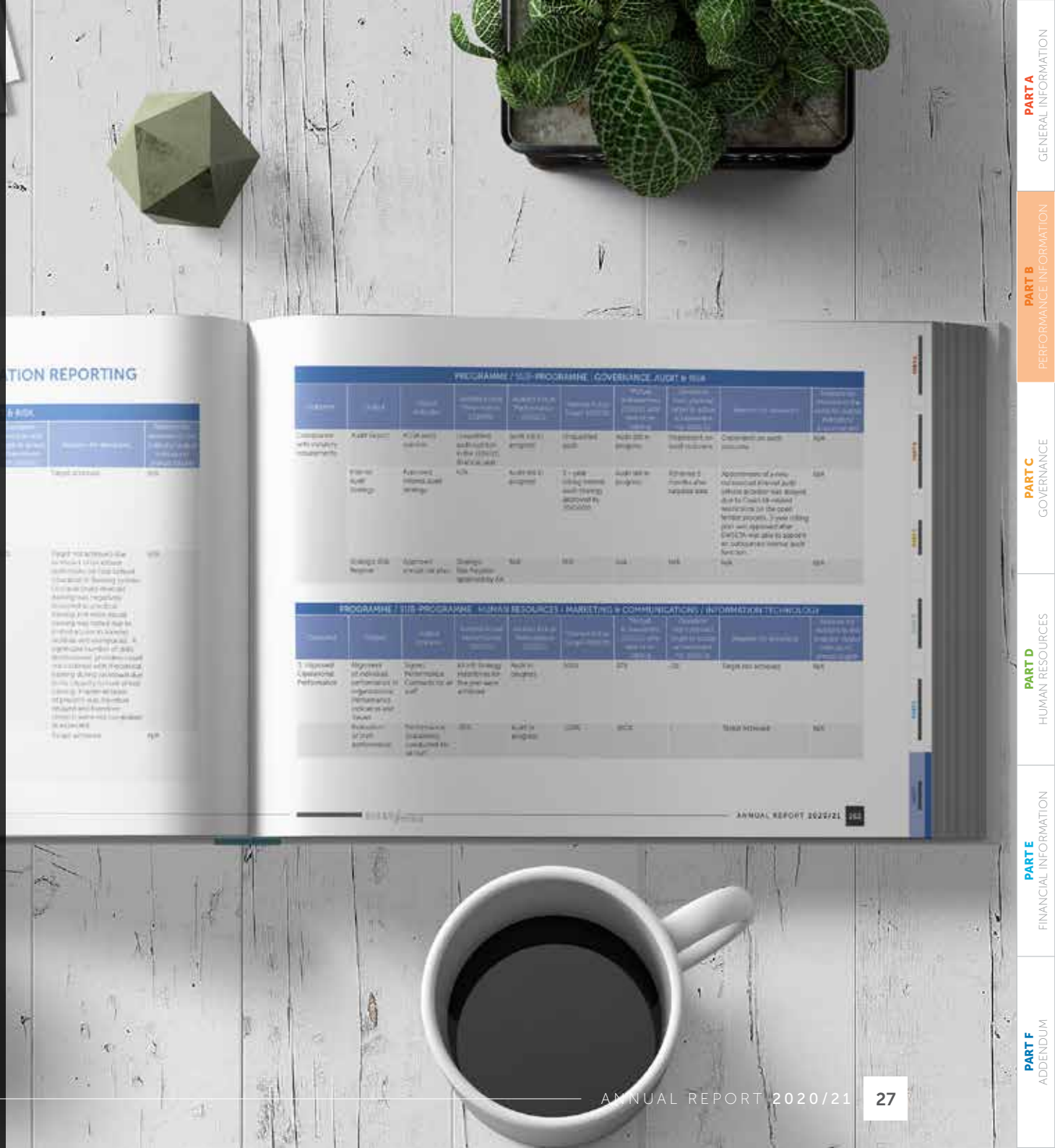
INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Key Result Area (Programme)	Outcomes	Strategic Outcome Oriented Goal	Goal Statement
Programme 1: Administration	<ul style="list-style-type: none"> Improved SETA Performance Compliance with statutory requirements Improved Operational Performance 	The purpose of the programme is to provide strategic leadership, management, and administrative support	<ul style="list-style-type: none"> Exercise oversight responsibility for financial, performance reporting, compliance and related internal controls Promote good corporate governance and practices Implement HR management practices to recruit adequate and appropriately skilled human resources Provide ICT systems and services to deliver the EWSETA mandate Promote the EWSETA's reputation and visibility among stakeholders
Programme 2: Skills Planning.	<ul style="list-style-type: none"> Enhanced learning programmes for occupations in high demand Improved organisational learning on performance of programmes 	The purpose of the programme is to ensure that human resource development information is available and contributes to skills development planning	<ul style="list-style-type: none"> Improve sector skills planning Establish research, as well as M&E activities to inform skills planning, as well as qualifications and learning interventions development for the energy and water sectors Review and update the SSP annually
Programme 3: Learning Programmes and Projects.	<ul style="list-style-type: none"> Increased access to occupations in high demand within the energy and water sector by 2024 Increased skills capacity through workplace-based learning Increased access to occupations in high demand Increased support for the growth of the college system Increased economical participation of CBOs/ NGOs/ NPOs/SMMEs within the energy and water sector Labour force that is updated with current skills required for the sector 	The purpose of the programme is to increase productivity in the energy and water sector through skills development	<ul style="list-style-type: none"> Promote and support artisan and other middle and high-level programmes Establish partnerships to lead and manage agreed projects and programmes Promote occupational learning pathways for scarce skills through career guidance initiatives
Programme 4: Quality Assurance.	Updated qualifications that are aligned to the current skills training needs	The purpose of the programme is to enable the EWSETA to execute the delegated functions of the QCTO.	<ul style="list-style-type: none"> Identify appropriate qualifications for each occupation Develop and register occupational qualifications where there are gaps

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The EWSETA submitted its APP for the 2020/21 period to Parliament by the due date of 28 February 2020. The COVID-19 lockdown and reduction in skills development levies received during the period under review necessitated a review of APP targets. The addendum on pages 134 to 156 details any revised APP targets; EWSETA's performance against these targets and any reasons for deviations.

Note to Readers: The information that has been provided in this section of the document is an overview of all APP targets as per the revised 2020/21 APP and the EWSETA's achievement against these targets.



PROGRAMME 1: ADMINISTRATION

T	Target	✓	Target achieved
A	Achieved	✗	Not achieved
V	Variance		



OUTCOME: IMPROVED SETA PERFORMANCE

	A	V
Approved SP, APP and AOP	✓	-
80% of APP targets achieved	68%	-12%
Quarterly SETA good governance reports	✓	-



OUTCOME: COMPLIANCE WITH STATUTORY REQUIREMENTS

	A
Unqualified audit opinion* for 2019/20 financial period	✓
Approved internal audit strategy by 30/06/20	✓

Achieved 5 months after targeted date

* An 'unqualified audit opinion' is awarded when the financial statements contain no material misstatements, but findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.



OVERVIEW BY THE CORPORATE SERVICES EXECUTIVE

“Ultimately, Corporate Services’ goals are aligned to those of the organisation, where we want to be the support partner when it comes to driving a high performance culture throughout the EWSETA, as stakeholder engagement is central to everything we do”

CANDICE MOODLEY, CORPORATE SERVICES EXECUTIVE

The performance of the Corporate Services (CS) Branch during the year under review is truly a case of *Adaptability through Disruption*. While the pandemic affected some areas of the branch’s performance, it also served as a motivator to excel, to adapt, to be innovative. As the supplier of support services to EWSETA, the CS branch needed to ‘up its game’ to deliver and implement what was required, under unusual and unpredictable circumstances.

Dealing with the fall-out brought about by the COVID-19 pandemic and subsequent lockdown required co-operation and teamwork across the three CS departments. We successfully initiated and drove the tools, systems and support mechanisms required by the organisation in the face of the disruption brought about by the pandemic.

One of the most challenging areas for the CS team was adapting to ‘virtual’ collaboration. Where previously we thrived on ‘face-to-face’ engagement, we had to find innovative ways of ensuring that as a unit we maintained our ‘connectivity’ and became greater sounding boards for one another whilst keeping our eye on the target.

In the year under review, three targets in Programme 1: Administration that were the responsibility of Corporate Services were not achieved. Lessons learnt to mitigate this in future is definitely proactive planning to enable consistent performance throughout the year and ensuring that our controls, particularly in the IT environment are strengthened.

Furthermore, the need for partnering and greater collaboration, not only with our internal, but also our external stakeholders cannot be emphasised more, and the fact that in this reporting period EWSETA has developed an extremely robust Partnership Model, is indicative of how adaptive we have become.

On pages 46 to 47 of this report, we provide details on the Organisation Design (OD) and Operating Model (OP) process that commenced in the year under review. We anticipate that once the OD process is finalised, we will have a fit-for-purpose structure, with the right skills and competencies within the organisation to assist in driving organisational performance, particularly from a stakeholder engagement perspective and a sector and industry participation outlook.

Ultimately, Corporate Services' goals are aligned to those of the organisation, where we want to be the support partner when it comes to driving a high-performance culture throughout the EWSETA. Some of the new planned initiatives include focusing on embedding stakeholder-centricity and operational excellence across Human Resources, Marketing and Communications and ICT. As an example, we are looking at how we can use Marketing, HR and ICT systems and information to drive data-rich reporting within these activities to provide a credible mechanism for sector-relevant data.

With the review of our organisational strategy and the emphasis placed on, amongst other strategic objectives, a high performance culture, it was imperative that our Corporate Services strategies too be reviewed to ensure that we are aligned as the key enablers to achieve high performance for

The period under review therefore, was the first year of implementation of these strategies and in my opinion, Corporate Services is on the right track.

IT OVERVIEW

We had already reviewed our ICT strategy in 2021 and were implementing it when COVID-19 happened. From an IT Perspective, the key has been to build on improvements and IT infrastructure upgrades made in 2019/2020, starting with a complete organisational transition to Microsoft 365. Therefore, in March 2020 when the national lockdown was declared we were able to quickly and seamlessly transfer every staff member over to Microsoft 365, so there was zero business downtime.

Microsoft Teams has been a game changer for our organisation allowing for uninterrupted engagement and collaboration and the speed at which staff members grasped the functionality has been truly amazing and encouraging in terms of adaptability to a digital work environment.

IT Governance has been a key focus for EWSETA over the last few years and in terms of governance controls, I am pleased to report that we are doing very well in this area. An area that requires intensified focus is our ICT General Controls, and the 2021/22 financial year will see vast improvements being made.

The lack of an approved disaster recovery plan (DRP) was identified as a finding during the 2019/20 financial period and earmarked as a strategically important activity during the 2020/21 period. To implement a formal DRP requires extensive work and achievement of this during the review period

was impacted by delays due to the lockdown, and when we were able to return to the office, in line with the permitted numbers, an internal IT audit process commenced, which was only finalised at the beginning of 2021. These challenges were further compounded by the exit of our IT manager.

That said, throughout this reporting period although we were in essence, working in a disaster recovery mode, not once was the EWSETA affected negatively or was the organisation at risk of not operating fully from a systems or connectivity viewpoint across the branches.

In retrospect, COVID has fast-tracked digitalisation and the way we look at ICT as an enabler for the organisation and therefore, IT has been a significant cost driver for us. Considering that our IT infrastructure and systems have to a large extent enabled continued operations during the lockdown, one can certainly justify the investment.

During this year of disruption, EWSETA needed to consider new and innovative support mechanisms for service providers and stakeholders and therefore began developing our online learning and engagement platforms to engage with our sector. To date, we have developed, what we refer to as our 'Knowledge Hub', which we are working on to bring to life so that it can be implemented. We will be paying attention to this in the five-year strategic period, with the EWSETA working diligently towards having an E-learning strategy supported by our system.

Our IT division also developed our own virtual communication platform, 'Live Hub', much like a Zoom or a Teams meeting platform, through

which we were able to engage our stakeholders continuously on a virtual basis.

This enabled us to hold several engagements and events during the reporting period, with great success, including our Women's Conference and several workshops with stakeholders. EWSETA's Marketing and Communications department hosted a career development practitioner workshop on our platform, and we hosted our AGM on Live Hub, garnering a lot of interest from other SETAs.

With the IT strategy being reviewed, we found that many users were opting to not use our MIS system because it was no longer responding to their needs, resulting in challenges elsewhere down the line when it came to reporting, consolidation of data or to using that data to impact fully. Therefore, a strategic business decision was made to take the MIS and ERP systems in-house and to develop our own systems to respond to our needs and our unique processes, moving away from the over reliance on third-party service providers. We need a system that is agile and able to evolve with us.

In order to develop our own MIS and ERP in-house, we need experienced IT resources. The intention was to procure these resources during 2020/21 so some of our key systems could go live by December 2020. However, delays in procurement as a result of the National Treasury moratorium placed on procurement during several months of Lockdown, severely impacted the organisation's procurement plan roll out and we were faced with a number of delays as a result.

As a result, we were only able to bring on a developer in February 2021, which postponed

development of our own WSP and ATR system. We had also anticipated being further along in our MIS development than we are presently.

During the 2020/21 financial period, our discretionary grant system, our mandatory grant system — which is the WSP/ATR application system — and several quality assurance systems, including accreditation and reporting, remains a key priority. These systems are our main stakeholder engagement and interaction conduits, through which we need to ensure a seamless, efficient and effective service delivery experience.

It is my firm belief that IT will continue to drive innovation and operational excellence at EWSETA. Technology is one of the critical components of any Operating Model and therefore, we will ensure that our IT capabilities are strengthened and adaptive to whatever disruption we may face going forward.

MARKETING AND COMMUNICATIONS OVERVIEW

During the past year, while in many instances we had already started laying the foundations for change, COVID-19 helped us along at a faster pace.

The main adjustment for us was how to engage our stakeholders, moving away from face-to-face engagement. In the past, attending key strategic events was our 'go-to' method for engagement, where we positioned the EWSETA brand, ensuring that skills development was a key topic on the agenda. In the wake of lockdown, however, conferences disappeared and with them, physical personal interaction. Adapting to the new landscape required coming up with an alternative communication strategy.

A strategic three-year communication plan was developed in this period that identifies our key engagement points from a Marketing and Communications' perspective and how we can leverage what we do across all those engagement points.

While we also appeared in print media, a drive has been to do things virtually and digitally, with increased use of platforms such as Zoom, Teams or Live Hub, and an increased focus on our social media presence. This involved thought leadership articles and participating in webinars while creating our own virtual engagement initiatives to maintain contact with our stakeholders, assuring them that we were still very much around.

In the APP target for our social media platforms alone, on average, we have exceeded our target by 400+ percent, with the LinkedIn group exceeding target by 1000%. This can be attributed to pursuing a highly focused approach from the marketing side, posting rich, relevant content and using the opportunity to engage with our sector and draw attention to the mandate and skills development activities of the EWSETA.

We partnered with our stakeholders, and participated in pertinent discussions on a variety of topics relating to skills in the energy and water sectors, particularly within a 'disruption' context. Those discussions produced some insightful content that was then filtered through our social media platforms to the sector at large.

In this last reporting period, it became evident through our employee engagement surveys and the focus groups that we attended, that we must

intensify our communication, not only externally but internally too, as staff felt that there was a lack of communication at EWSETA.

Consequently, there has been an intensified internal communications drive from Marketing and Communications, producing a stream of information to create open, transparent lines of communication where we address staff concerns directly, and ensure that they are not hearing information after the fact, or 'in the corridor'.

We will improve this process with a formalised employee engagement strategy.

While a fair amount of work was done by the Disaster Management Committee around COVID-19, we rely on Marketing and Communications for support to get that work communicated. They have excelled at communication, both with our stakeholders and staff, constantly reinforcing the standards for COVID-19 protocols. This continuous awareness campaign and adherence to the protocols has resulted in a mere handful of COVID cases within EWSETA, none of which were work-related contagions. Given the environment, this is a remarkable achievement and one that serves to support the validity of the actions taken.

Capacitating divisions has also been a challenge during this last reporting period, as the moratorium on procurement hampered filling much needed vacancies and this too, was felt in the Marketing and Communications division.

Despite the revision of some of our targets in the amended APP to meet new criteria, they remained

high targets. Nevertheless, marketing fulfilled its targets for the period under review and in areas, exceeded them. This is attributable to adapting quickly and developing innovative ways to approach challenges.

Even prior to the reporting period, we have been driving our thought leadership stance and our brand awareness within the sector and, judging by the WSP submissions we receive year-on-year, there has been an increase. While we cannot attribute that solely to Marketing and Communications' initiatives, it is becoming clear that industry is standing up and taking notice about how we conduct ourselves within our sectors.

Overall, we feel that the Marketing and Communications strategy over the reporting period was highly successful.

HUMAN RESOURCES

The human resources function also falls within the corporate services gambit, but this function has been covered extensively in Section D of this Annual Report on pages 64 to 69.

ACKNOWLEDGMENTS AND THANKS

I appreciate and thank the leadership of the EWSETA during this time. I respect the way we pivoted and adapted, and I also appreciate the guidance we received from the Accounting Authority and our CEO in that regard. They were there to provide and offer support in whatever means was required of them, thinking on their feet, finding solutions, and

adapting to the ever-changing circumstances in a very disruptive environment.

I would like to acknowledge my Corporate Services team. With the amount of upheaval that they have each endured through this global event, sometimes on a personal level, but on the work front, these amazing individuals blurred the lines between work and their personal life, sacrificing weekends and enduring long extended hours. I cannot thank them enough for their effort and support.

I am very cognisant of the effort that my branch has put in and I want to acknowledge every single one of their efforts and for going above and beyond and for maintaining the values that we want in an organisation. I respect your integrity, teamwork, and excellence, in particular from those working remotely.

I recognise the rest of the organisation in terms of their tenacity and their ability to adapt and their determination to still make sure the EWSETA, even under the dire circumstances, was able to still report a worthy performance.

Candice Moodley
Corporate Services Executive



T	Target	✓	Target achieved
A	Achieved		
V	Variance	✗	Not achieved

PROGRAMME 1: ADMINISTRATION



OUTCOME: Improved Operational Performance (Human Resources)

	T	A	V
Signed performance contracts for all staff	100%	97%	-3%
Performance evaluations conducted for all staff	100%	100%	-
Implementation of a training and development plan that is aligned to the skills audit outcomes	68%	35%	-33%
Source partner to conduct organisational review, development and design, and initiate project	1	✓	-
Employment equity report submitted to DoL	1	✓	-



DESIRED OUTCOME: Improved Operational Performance (Information Technology)

T	A
Implement reviewed ICT Strategy	✓
Implement EWSETA Stakeholder portal and reporting dashboard	✓
Implement disaster recovery and business continuity plan	✗



DESIRED OUTCOME: Improved Operational Performance (Marketing & Communications)

	T	A	V
Sector events and CEO Roadshows held	6	10	+4
Production of publications/ brochures	7	✓	-
Develop concept and outline of communication APP for mobile devices	1	✓	-
Followers across all active social media platforms	20% increase	Average 408% increase	-

Whilst social media is to a large extent the 'go to' means of gathering news, the lockdown and lack of access to other means of interacting with stakeholders required that the EWSETA brings its 'A Game' in regards communicating with stakeholders on its active social media channels. In the 2020/21 period, the EWSETA experienced exceptional social media growth as indicated by the statistics provided below.

		1 April 2020	31 March 2021	% Growth
f	followers	1 044	2 796	159%
in	followers	81	934	1 053%
🐦	followers	174	349	100%
📷	followers	368	553	66%
📺	AVs	1	5	125%
📺	Views	45	388	762%



OVERVIEW BY THE PLANNING, REPORTING AND MONITORING EXECUTIVE

“How we position ourselves to respond to the skills development needs of the sectors we serve will determine our relevance. We must therefore lead in identifying the skills in high demand, whether it be for re-skilling, upskilling, or the introduction of new skills”

TSHOLOFELO MOKOTEDI, ACTING EXECUTIVE: PLANNING, MONITORING & REPORTING

Operating in an essentially disruptive environment this past year required the Planning, Reporting and Monitoring (PRM) branch to adapt to new and develop different ways of doing things, including embracing new systems and processes. PRM plays a significant role in co-ordinating the organisation's prioritised sector skills development planning. These are aligned to the national skills development strategic plan, both sectoral and national.

Through tactical stakeholder engagements and collaboration, the branch monitors and evaluates the planning of skills delivery. It is within this branch that we anticipate occupations and skills that are in high demand for higher, intermediary, and elementary levels within our sectors. The entire

EWSETA value chain depends on the efficient delivery of this process, without which, the EWSETA would not be able to fulfil its mandate to the energy and water sectors.

ADAPTING TO DISRUPTION

When the national lockdown was declared in March 2020, it coincided with a significant compliance deadline within PRM namely, the collection of the Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) that were due for submission by the end of April 2020.

This milestone is significant as it provides the primary source data used to anticipate high demand occupations. The PRM branch encouraged

employers to provide us with accurate skills needs data to enable us to establish relevant training. The required information also needed to be submitted timeously.

At the onset of the lockdown, we were heavily reliant on telephonic contact or emails for stakeholder engagement. Without any other method available, EWSETA timeously implemented Microsoft 365 and Teams throughout the organisation. This facilitated maintaining seamless stakeholder contact, albeit remotely. This required a significant mindset change, forcing people to work differently while combining work and home commitments. Flexibility was paramount.

In the face of this disruption, we received the highest ever response in terms of submissions of WSPs and ATRs. During this unfamiliar time, we mobilised our team to observe the COVID protocols, whilst encouraging them to excel in their duties. We also took note of the conditions that were constraining them while working remotely, allowing us to work around the challenges owing to our increased communication and working transparency, as well as observing an open-door policy. Throughout the process we encouraged staff to uphold organisational values, including 'integrity'. This meant behaving with honesty and honour even 'while no one is watching'. We also encouraged 'excellence', to strive to do our best in everything, even under difficult circumstances.

PERFORMANCE OUTCOMES

Despite the challenges we faced, and much happening in the period under review that

influenced our performance, the PRM Branch achieved significantly.

As mentioned, we improved the submission of the WSP/ATR by 26% from the prior year, as well as the quantity and quality of data collected. While we capacitated our Skills Development Facilitators (SDFs) on WSP/ATR submissions remotely, through SDF capacity building sessions and ongoing one-on-one interactions, we also capacitated the Organising Framework for Occupations (OFO).

The CEO roadshows that took place during the last quarter of the prior year significantly contributed to our achievements around submissions and the PRM Branch, with support of our Marketing Department, partnered with stakeholders on industry events as well as sponsoring several sector interventions under the water and energy cluster.

During the period under review, EWSETA made great strides towards implementing our research agenda, accomplishing many matters within the Sector Skills Plan's (SSPs) Continuous Improvement Plan (CIP), an operational document that reports progress on each of the ten CIP matters that are aimed at supporting the EWSETA in its sector skills planning activities, including research projects.

The Department of Higher Education and Training (DHET) uses the CIP to monitor the EWSETA's implementation of the SSP.

The past three years have seen a steady increase in the EWSETA research output and the year under review was no exception. While EWSETA has now

institutionalised the annual tracer and biennial impact studies, further research projects have been undertaken as covered under Programme 2 of this report.

The location of sector skills planning, research, strategic planning, as well as monitoring and evaluation within the same branch ensures synergies between planning and reporting, and to maximise efforts associated with anticipating, planning and evaluating the impact of our skills delivery efforts.

The EWSETA continues to align its plans to national strategies, plans and policies, with the Accounting Authority in an oversight role on the SSP development and approval process. Under Programme 2, only one KPI could not be achieved by the PRM branch, namely the development of the Monitoring and Evaluation (M&E) Framework. Reasons for any variances are covered in the addendum at the end of this document.

Other challenges encountered for the delivery of Programme 2 included the 4IR and Technological Advancement.

For this project, we seek to explore ways in which emerging technologies and artificial intelligence (AI) skills influence the sector. The project has been rolled over from the prior year.

The other project rolled over from the prior year is the Methodologies for the hard-to-fill-vacancies (HTFVs). EWSETA, under PRM Branch, will implement the project in the coming year in partnership with the DHET and other SETAs.

BECOMING A HIGH-PERFORMANCE AUTHORITY

For the EWSETA to be recognised as an authority from Skills Planning perspective, we need to have a credible institutional mechanism that can accurately anticipate the skills needed in our sectors.

That said, the branch has done well based on the overwhelmingly positive feedback from DHET with regards to the credibility of the Sector skill Plan (SSP): *'The total score for this SSP is 453 out of 471 (96%). This is an improvement from the 91% awarded for the previous SSP. It is a very well written SSP and the EWSETA is commended for its hard work'.*

Nevertheless, there are concerns by some in the sector that the SSP does not address other occupations in high demand. To this end, we will continue to address these concerns.

In the year under review, the PRM Branch conducted a special skills gap analysis to determine real time skills gaps, underscoring the importance of commissioned research for HTFV methodologies.

The developed Monitoring and Evaluation System Description Plans continue to drive the implementation of the milestones identified. The priority in the coming year, however, remains the development of the M&E Framework.

There are key change drivers that were identified with clearly articulated implications for skills development and, in this context, the PRM

developed skills development strategies in response to the Integrated Resources Plan (IRP), part of the National Water and Sanitation Masterplan.

Given that the energy sector is going through its own transition with the Just Energy Transition, the PRM's Energy Cluster Department has been positioning itself with relevant association bodies and strategic partners to assist in driving the skills development strategy.

When the President announced the Economic Reconstruction and Recovery Plan (ERRP) aimed at stimulating equitable and inclusive growth, EWSETA developed a skills development strategy in response to the call, outlining the importance of engaging at the correct level, with the right stakeholders.

As EWSETA plays an intermediary role between the demand and supply side in the post school education and training system, through existing and newly emerging partnerships – from both the demand and supply side of skills, education and training – we are identifying the leading voice in the industry around the Just Energy Transition.

To perform optimally, the entire organisation must have a clear grasp of the core principles of the NSDP and understand what is happening at national and sectoral levels.

In the prior year, the Minister of Human Settlements, Water and Sanitation launched the Water and Sanitation Masterplan in which we are already identifying specific principles that align with the work we do, including identifying qualifications

prioritised in the Masterplan. PRM, under the Water Cluster Department, facilitates pre-scoping sessions to, amongst others, gain support from the water sector in terms of curriculum and qualifications to be prioritised. In the year under review, partnerships and co-funding letters were sent to relevant SETAs and stakeholders in this regard.

In the review period, the PRM Branch developed a Partnership Model that is aimed at providing an integrated, structured framework for the regulation of funding of and/or co-operation with various forms of partnerships. This will allow EWSETA to leverage from the partners in the skills development space for effective collaboration and involvement in high impact projects.

PRM successfully entered into partnerships with employers, TVET and CET colleges, as well as universities. All these partnerships supported the delivery of some of Programme 2 (Research Partnerships) and Programme 3 (Learning Programmes Partnerships).

The main partnership highlights follow.

Employer partnerships

- **Bambili Energy:** Through this partnership, PRM Branch facilitated the awarding of three interns for a 12-month Internship programme. This followed another successful collaboration between the Department of Science and Technology (DSI), EWSETA, Bambili Energy and the University of Pretoria (UP), wherein 18 graduates from TVETs and UOTs were given

an opportunity to participate in the Hydrogen Fuel Cells Technology course offered by UP. The project was funded by DSI. The partnership also facilitated the process of registering the curriculum for the Fuel Cells Technology Skills Programme, which is currently underway.

- **Proconics** also partnered with EWSETA for delivery of professionalisation of engineers (candidacy programme), internships and bursaries.

Universities

- **Rhodes University** brought new and innovative ways of teaching, curriculum design, and knowledge to the key role players within the education environment, namely, Public TVET and CET lecturers, as well as management.
- **WITs Business School:** In response to gender imbalances in the energy and water sectors, through partnership with Wits University, 19 employed women in both sectors were enrolled for the Executive Development Programme (EDP). In addition, the 'Missing Middle' learners were also enrolled for bursaries to address occupations in high demand.
- **University of Cape Town:** Learners were enrolled in a Post Graduate Diploma in Engineering Plant, in addition, the 'Missing Middle' learners were enrolled for bursaries in occupations in high demand.

TVETs and CETC partnerships

- **Public TVET and CET employees** entered skills programme for the one-year, online, NQF level 5 introductory course on Facilitating Social

- Learning and Stakeholder Engagement in Natural Resource Management at Rhodes University.
- **Orbit TVET**, which is also a Centre of Excellence for Electrical Trades and **Eastern Cape CETC** received infrastructure support through laptops.
 - As EWSETA has been appointed by DHET as a Co-ordinating SETA TVET Co-ordination Office (CSTO), once more, an MOU was signed with **Orbit TVET College** to facilitate the relationship between the parties. The CSTO project was introduced by the DHET in recognition of the high importance of creating linkages and partnerships between TVET Colleges, SETAs and employers in different sectors.
 - **Northern Cape CETC** benefited from the Skills Programmes, whereby management and lecturers were supported through the Rhodes University project for beneficiaries to be skilled on the NQF 5 skills programme to facilitate Social Learning and Stakeholder Engagement in Natural Resource in Management.

RESEARCH AGENDA

EWSETA, under the PRM Branch, has thus far completed two annual tracer studies in 2018/19 and 2019/20 respectively. Two impact studies were concluded in 2018/19 and 2020/21.

The evaluation studies, underpinned by empirical research, were undertaken to evaluate the extent to which EWSETA learning programmes influence subsequent learner outputs and/or outcomes through education and training.

Evaluation studies such as impact and tracer studies constitute a critical part of skills planning

imperatives, thereby contributing to a credible mechanism for evidence-based decision making. We commissioned Witwatersrand University's Centre for Researching Education Labour (REAL) to conduct topical research project: Linking education and work in the South African energy and water supply sectors.

PRM branch also commissioned research on Emergent and Established Co-operatives and another research project commissioned on Emergent and Established Small Business.

In the year under review, we implemented the first year of the Research Chairs project on the Wastewater and Solid Waste. Tshwane University of Technology (TUT) was commissioned in the prior year to conduct the three-year project. Central University of Technology (CUT) has been commissioned to conduct a research study in Renewable Energy.

Through our researcher, we conducted the Sector Sills Plan Annual Update, Tracer and Impact studies in-house. Also in-house, we conducted the analysis of received Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs). The key findings and recommendations from WSP/ATR analysis recommended that EWSETA should prioritise the following: Increase the Stakeholder base to include more employers informing on sector planning and participation in skills development interventions; support transformational imperatives and prioritise the most appropriate skills in response to the prescripts as set out by the ERRP, as identified through research and skills planning.

During the reporting period, the only target the PRM Branch did not achieve under Programme 3 is the one on TVET. Out of a target of five, we achieved three. It is anticipated that with the partnership model in place EWSETA, through the PRM Branch, will be strategically positioned to form value-driven partnerships and be responsive as and when required.

LOOKING AHEAD

The next 12-month period will pose some interesting challenges for the PRM branch, among which is climate change.

The climatic extremes over the years has adversely affected productivity, resulting in increased associated costs for businesses, which in turn have had a negative impact on training objectives and intended skills outcomes.

The previously low dam levels, as a direct consequence of dry weather conditions, affected provision of water services as well as training thereof within this sector. Further, fluctuating weather conditions have contributed to the erosion – and other related damage – of expensive production equipment.

In addition, the undesirable weather conditions have hampered the productivity of the likes of wind farms and the associated training thereof within this sector.

Education and training of professionals and specialists in the energy sector continues to be important. Prioritisation of professionals and specialists in the water sector, for example hydrologists, will continue to gain importance in finding effective ways to source groundwater and addressing water shortages.

Furthermore, the implementation of the ERRP Skills Development Strategy remains another constructive challenge.

The provision of appropriate skills across related occupations in response to the economic reconstruction and recovery vision, have become a critical priority. The importance to develop a pool of candidates ready to assume job roles in the areas of engineering, environmental sciences, and more, remains paramount.

EWSETA, through the PRM branch, will have to ensure ongoing real-time anticipation of high demand skills and jobs, while ensuring in all circumstances that the supply meets the demand. How we position ourselves to respond from a skills development point of view will determine our relevancy to the industry. We must therefore continue to lead in identifying the occupations in high demand, whether it be for re-skilling, upskilling, or the introduction of new skills.

As part of the ERRP skills plan implementation, PRM will respond adequately to the needs of Just Energy Transition, focusing mainly on solar PV and wind skills, as outlined in the CSIR JET research project. To address these challenges the anticipation is that there will be strategic partnerships to journey with EWSETA along this course. There are longstanding engagements with partners such as the WRC, for driving the Research and Development Innovation Roadmap, and WISA, particularly for driving the professionalisation of process controllers and water industrialisation.

We have planned partnerships with Innovations Hub – for the capacitation of SMMEs – to participate in Small Scale Embedded Generation (SSEG) Microgrids and Battery Energy Storage Solutions, CSIR, and other association bodies. State Owed Entities (SOEs), especially utilities, municipalities, SALGA and MISA will also be prioritised in the coming year as will relevant SETAs, to complete the eco-system within which the energy and water sector operates.



Tsholofelo Mokotedi
Acting Executive: Planning, Reporting & Monitoring



PROGRAMME 2: SKILLS PLANNING

T	Target	✓	Target achieved
A	Achieved		
V	Variance	✗	Not achieved

DESIRED OUTCOME: Enhanced learning programmes for occupations in high demand (workplace skills plans and annual training reports)

One of the functions of a SETA in terms of the Skills Development Act No 97 of 1998 (the Act) is to collect and disburse the skills development levies in its sector. Firms or organisation within the sector are required to submit Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) to be considered for disbursement of mandatory grant levies.

	2020/21		2019/20
WSPs/ATRs approved for small firms	T: 100 A: 125 V: +25	24% improvement on previous financial period	95
WSPs/ATRs approved for medium firms	T: 30 A: 37 V: +7	13% improvement on previous financial period	32
WSPs/ATRs approved for large firms	T: 20 A: 23 V: +3	4% improvement on previous financial period	22
Total	185*		149

*During the period under review, a total of 17 WSP and ATR submissions were rejected. The reasons provided for this included: failure to supply senior authorisation by MD, Senior Representative or SDF; not completing the application online correctly; non-submission of required supporting documents such as evidence of training and proof of union consultation for companies employing more than 50 people; and late submission.



DESIRED OUTCOME: Enhanced learning programmes for occupations in high demand (sector skills planning)

✓ 2 Research agreements signed for growth of TVET occupationally directed programmes	✓ 1 Research project implemented to identify skills needs of established and emergent cooperatives	✓ 1 Research project implemented to identify skills needs of small and emerging enterprises	✓ 1 topical research project implemented
The WPPSET describes TVET colleges as the cornerstone of the PSET system in SA and proposes an expansion of this institutional type to absorb the largest enrollment growth in the PSET system. The EWSETA aims to undertake research that will be relevant and have an impact in occupationally directed programmes.	Outcome 6 of the NSDP provides for SETAs to increase skills development support for entrepreneurial activities and emergent cooperatives, more specifically, their skills needs. UP has been contracted to conduct research to determine the skills needs of established and emergent co-operatives within the energy and water sector. The final evidence-based report will prepare the way forward to address the status, challenges, and opportunities towards bridging the gap between PSET and Co-operatives in the energy and water sector, taking into consideration future needs.	Outcome 6 NSDP provides for SETAs to increase skills development support for entrepreneurial activities and the establishment of new enterprises. SETAs are required to identify in their skills planning research, established and emergent enterprises and their skills needs.	Topical research plays an important role in enhancing skills planning. These topics are either identified by DHET or the EWSETA itself. The topic for the 2020/21 financial year was 'Linking Education and Work', a research work which was contracted to the Wits REAL Centre. Insights gained from the study will map a way forward on how the EWSETA can enhance its support to the sector.

✓ Sector Skills Plan reviewed and approved



DESIRED OUTCOME: Improved organisational learning on performance of programmes

✓ 1 impact study conducted and reported	✓ 1 tracer study conducted and reported
The EWSETA biennial impact studies seek to evaluate the effectiveness of EWSETA WIL interventions in terms of learner outcomes post-completion of respective learning programmes. Research conducted with a sample of learners who completed WIL in 2017/18 found amongst other interesting findings that: <ul style="list-style-type: none">1 in 3 found employment within six (6) months of completing WIL49% found employment in less than 12 monthsThe WIL opportunities improved overall quality of life for the majority of learners, which is consistent with the EWSETA Theory of Change with respect to desirable learning outcomes.	The Minister has directed SETAs to conduct annual tracer or similar studies on employment tracking and report the outcomes to the Department. The EWSETA has implemented two tracer studies since 2019. Research conducted with a sample of learners who completed WIL in 2017/18 found that approximately 55% of respondents who successfully completed learning programmes went on to secure employment. The EWSETA will continue to implement tracer studies to gain deeper insights into the learners' whereabouts post-completion.

✗ Development of M&E Framework

✓ Quarterly monitoring reports submitted to DHET

PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS

T	Target
A	Achieved
V	Variance



DESIRED OUTCOME: Increased access to occupations in high demand within the energy and water sector by 2024

	T	A	V
Discretionary grant budget allocated to developing high level skills	25%	28%	+3%
Discretionary grant budget allocated to developing intermediate level skills	60%	48%	-12%
Discretionary grant budget allocated to developing elementary level skills	15%	23%	+8%
Learners who have completed learning programmes in employment	100	0	-100
People to be trained in entrepreneurial skills	10	0	-10
Rural development projects initiated	20	20	-



DESIRED OUTCOME: Increased skills capacity through workplace-based learning

TVET Colleges

	T	A	V
TVET students requiring work integrated learning to complete their qualifications placed in workplaces	50	0	-50
TVET students completed their work integrated learning placements	30	50	+20

Universities

	T	A	V
University students requiring work integrated learning placed in workplaces	50	21	-29
University students completed work integrated learning	30	55	+25

Unemployed Learners

	T	A	V
Enrolled in internships	100	45	-55
Completed internships	100	0	-100
Enrolled in skills programmes	250	635	+385
Completed skills programmes	600	21	-579
Enrolled in candidacy programmes	20	20	-
Completed candidacy programmes	20	0	-20
Enrolled in learnership programmes	250	309	+59
Completed learnerships	900	1 029	+129

Employed learners (workers)

	T	A	V
Enrolled in learnership programmes	250	250	-
Completed learnership programmes	250	375	125
Workers granted bursaries (new entrants)	50	15	-35
Workers continuing bursary studies	30	4	-26
Workers completed bursary studies	25	0	-25
Enrolled in skills programmes	800	801	+1
Completed skills programmes	1 500	1 194	-306
Workers enrolled in AET programmes	50	50	-
Workers completed AET programmes	25	0	-25
Federations/Trade Union supported through relevant skills training interventions	5	5	-

**DESIRED OUTCOME:** Increased access to occupations in high demand

	T	A	V
Artisan learners enrolled	600	619	+19
Artisan learners completed training	600	720	+20
Unemployed learners granted bursaries (new enrolments)	150	72	-78
Unemployed learners continued bursary studies	200	17	-183
Unemployed learners completed bursary studies	100	42	-58
Learners enrolled for RPL/ARPL	10	10	-
Learners completed RPL	10	17	+7
TVET partnerships established	5	2	-3
HEI partnerships established	3	5	+2
CET partnerships established	2	2	-
SETA-Employer partnerships established	5	12	+7

**DESIRED OUTCOME:** Increased support for the growth of the college system

	T	A	V
SETA offices established and maintained in TVET colleges	5	4	-1
Centre of Specialisation supported	1	1	-
TVET lecturers exposed to the industry through skills programmes	20	11	-9
Managers receiving training on curriculum related studies	10	6	-4
TVET college lecturers awarded bursaries	5	5	-
TVET college infrastructure development (equipment/workshops)	1	1	-
CET college lecturers awarded skills development programmes	5	7	+2
CET college infrastructure development support (equipment/workshops/ connectivity/ICT)	1	1	-
Managers receiving training on curriculum related studies	5	5	-

**DESIRED OUTCOME:** Increased economical participation of CBOs/NGOs/NPOs/SMMEs within the energy and water sector

	T	A	V
Co-operatives supported with training interventions or funded	10	9	-1
Small businesses supported with training interventions or funded	20	0	-20
People training in entrepreneurship support to start their businesses	5	0	-5
CBOs/NGOs/NPOs supported with training interventions or funded	5	11	+6

**DESIRED OUTCOME:** Labour force that is updated with current skills required for the sector

	T	A	V
Career development events in urban areas on occupations in high demand	15	27	+12
Career development events in rural areas on occupations in high demand	10	37	+27
Career development practitioners trained	80	112	+32
Capacity building workshops on career development services initiated	6	11	+5
Workshops for life orientation teachers in rural communities	3	7	+4
Rural community advertising campaigns implemented	2	4	+2
Career guides distributed	10 000	12 184	+2 184



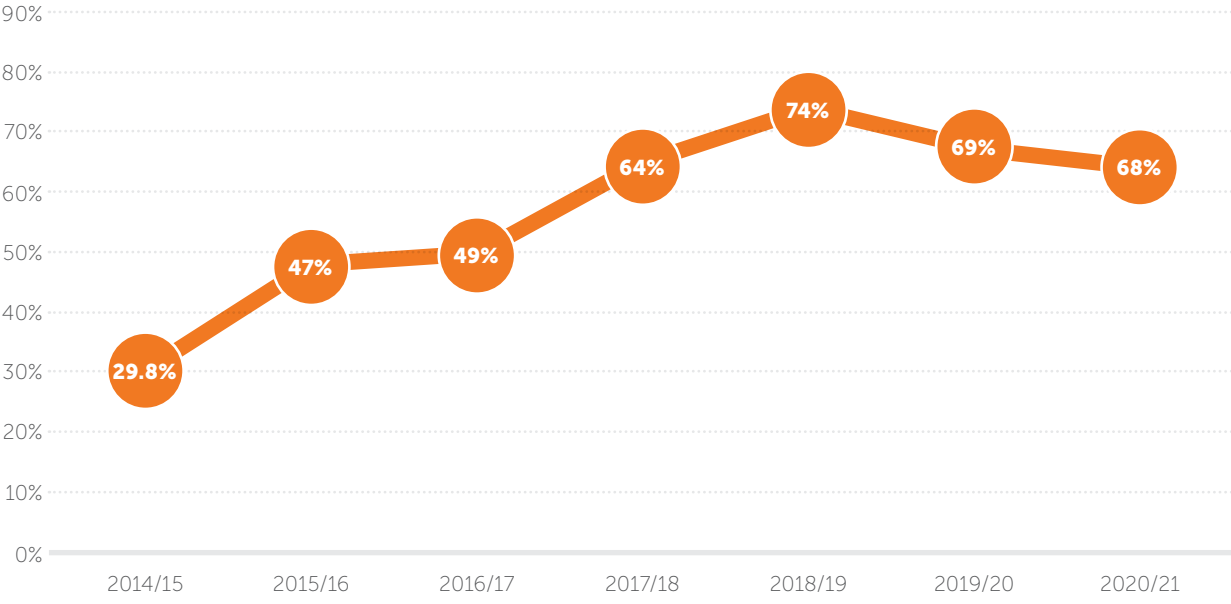
PROGRAMME 4: QUALITY ASSURANCE

T	Target	A	Achieved	V	Variance
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**DESIRED OUTCOME:** Updated qualifications that are aligned to the current skills training needs

	T	A	V
Workplace approved	15	3	-12
Applications for certificates received and processed within 30 days	70%	62%	-8%
Qualifications developed as per industry needs	2	2	-
QAS addenda developed on registered qualifications	2	2	-

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE



6-year review of EWSETA performance against APP targets

From the 2014/15 financial period to 2018/19, the EWSETA enjoyed steady growth in its performance against its APP targets, having increased from 29.8% to 74% in 2018/19. Performance in 2019/20 dropped to 69% and in the current period, EWSETA has achieved a performance of 68% against targets.

The EWSETA embarked on the 2020/21 period intent on improving on its performance, but the COVID-19 pandemic, national lockdown and skills development levy holiday in 2020/21 sought to derail plans in place to deliver on improved performance. However, while the SETA has not done as well as it would have liked to, if considered in context, the

numerous challenges experienced during the year did not result in a dip in performance one might have expected and this talks to how the organisation was able to adapt and respond to COVID-19.

An unfortunate delay in the finalisation and advertising of the Discretionary Grant (DG) funding window resulted in the EWSETA being left with insufficient time to finalise the DG window and appointment of successful applicants before the end of the financial period and hence the under achievement of some targets. To mitigate this in the future, the EWSETA will advertise its Discretionary Grant window much earlier in the financial period to

allow sufficient time for the necessary due diligence and other processes to be completed before the end of the financial period.

OPERATING MODEL AND ORGANISATIONAL DESIGN

The EWSETA accepts that it cannot use the COVID-19 pandemic and resultant fallout as the reason for all its challenges.

The concept of an Operating Model (OM) and Organisational Design (OD) emerged on the back of the realisation that the organisation had not been operating effectively and efficiently. This was confirmed after conducting an assessment as management in 2019, and findings were presented to the new Accounting Authority in 2020. To this end, the EWSETA is finalising an OM and OD process in which a high-performance culture will be optimised, to ensure that services are delivered in the manner expected by stakeholders and at a level of excellence that reflects the organisational values.

In line with the change in strategy from being a target-driven organisation to a high-performance, impact-driven one, the EWSETA realised that it required a structure aligned to an operating model that does away with silo operations, which had been the case for many years. Furthermore, the EWSETA realised that a strategic structure as opposed to a transactional, administratively driven one would be a key future success factor. To successfully take its place as an authority that is leading the sector, as well as to position itself as a skills development and training thought leader within the energy and

water sector requires a 'fit for purpose' organisational design.

An additional element that spurred management to relook its operational design was the ongoing issue around the administrative budget that was consistently over its allowance. To bring administration expenditure down and work within the prescribed 10.5%, the EWSETA needs to have an effective and efficient operating model that will allow for the elimination of unnecessary additional processes and duplications and streamline operations.

Over the years the EWSETA has looked at, reviewed, and tweaked its structure, but it was still not an

effective organisation with little interdepartmental or cross collaboration taking place.

In April 2020, the Accounting Authority approved an OM and OD project during the period under review. Whilst some may view this process as the answer to many of its challenges as the EWSETA, it is important to note that this process is really an important first step, and one of several that needs to be taken if the EWSETA is intent on reaching the goals it has set for itself over the 5-year strategic period ending on 31 March 2025.

This important process also seeks to address not just where skills gaps exist within the organisation, but also how to better optimise existing skills in

the organisation, especially at the higher levels. In addition, job profiles and job descriptions that have previously not been clearly outlined or defined, often resulting in duplication of responsibilities, will be addressed as part of the process.

While the intention had been to have the operating model and OD already approved by the end of March 2021, it is still ongoing. The EWSETA anticipates that the Accounting Authority will approve the process and commence implementation during the second quarter of the 2021/22 financial period, although it is recognised that something so critical is not to be rushed.

LINKING PERFORMANCE WITH BUDGETS

Programme/activity/objective	2019/20			Programme/activity/ objective	2020/21		
	Budget	Actual Expenditure	Over/Under Expenditure		Budget	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000		R'000	R'000	R'000
Administration	89 891	65 222	18 157	Administration	83 379	53 248	30 131
Mandatory Grants	74 103	67 258	6 845	Mandatory Grants	51 872	46 854	5 018
Skills planning	15 788	1 871	13 917	Skills planning	9 343	1 271	8 072
Discretionary Grants	185 567	211 211	(25 644)	Discretionary Grants	130 399	107 669	22 730
Special Projects		3 514	(3 514)	Special Projects		3 606	(3 606)
Career Guidance	1 450	1 356	94	Career Guidance	800	378	422
Qualification Assurance	7 736	1 675	6 061	Qualification Assurance	6 580	1 016	5 564

All expenditure for the year (except for special projects) came in under budget. The COVID-19 lockdown impacted the delivery of skills development initiatives and spending on discretionary grants, career guidance and qualification assurance was below budget as a result. Administration expenses were also below budget, mainly due to decreased operating activity during the lock-down. While the entity remained active and fixed costs were still incurred, variable costs were saved due to the closure of EWSETA offices. Additionally, several positions were vacated by staff during the year, reducing the salary bill below budget. Mandatory grant expenditure is driven by the value of SDL income. Mandatory grant expenditure is driven by the value of levy income and because levy income was below budget this resulted in reduced mandatory grants expenses to below budget.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

In response to the national disaster that was declared by the President of South Africa on 15 March 2020, and the subsequent announcement of a National Lockdown which commenced on 26 March 2020, EWSETA put in place various interventions in line with the risk adjusted strategy that aims to gradually phase-in economic activity across various sectors.

In response to the pandemic, the following guidelines were developed:

- COVID-19 Workplace Plan
- Return to Work Protocols
- COVID-19 Travel Guidelines
- COVID-19 Travel Online Feedback Survey Form
- COVID-19 Case Management Guidelines

Monitoring systems put in place:

- Travel survey
- Electronic screening (to access offices of EWSETA)
- Compliance Reporting
- Business Impact Assessment Tracking Matrix
- Monitoring and Evaluation by the Disaster Management Committee, Health and Safety Committee and COVID-19 compliance officer

In addition to the reports prepared for feedback to the Accounting Authority, EWSETA submitted inputs to the various DHET COVID-19 requests and surveys received from the Department that included:

- COVID-19 level of compliance survey inputs Response to Directive No.6 of 2020
- Comments to the following DHET SETA COVID -19 Guidelines:
 - SETA COVID-19 Workplace Readiness Plan
 - High level Risks – COVID-19 SETAs
 - Security Services Plan during COVID-19

Between 1 April 2020 and 31 March 2021, five cases of COVID-19 were reported at the EWSETA with a 100% recovery rate for all cases.

Programme/ Sub-Programme	Intervention	Geographic location	No. of Beneficiaries	Disaggregation of beneficiaries	Total budget allocation per intervention R '000	Budget spent per intervention R '000	Contribution to the outputs in the APP	Immediate Outcomes
Programme 3	COVID-19 Training for members of Trade Unions		1 000		5 000	5 000		

“During the period under review, the EWSETA placed extensive focus on forging partnerships to mitigate the effects of COVID-19. These included partnerships with public research institutions, small and medium enterprises, PSET institutes of learning, government departments and industry bodies. These, and other partnerships, remain an important priority for the EWSETA going forward, both within a COVID-19 context and EWSETA strategic perspective.”

REVENUE COLLECTION

Source of revenue	2019/20			Source of revenue	2020/21		
	Estimate	Actual collection	Over/Under collection		Estimate	Actual collection	Over/Under collection
	R'000	R'000	R'000		R'000	R'000	R'000
Levies	352 547	313 374	39 173	Levies	246 783	211 216	35 567
Other income		143	143	Other income		59	59
Interest income	21 809	20 586	1 223	Interest income	15 266	9 355	5 911
Special project		3 514	3 514	Special project		5 151	5151

The entity experienced decreased levy income in the review period due to the four-month skills development levy (SDL) holiday; the fact that some companies were forced to shut down due to the pandemic and retrenchments in the sector. The three phase Presidential War on Leaks projects that is funded by the DWS and currently in Phase 2 is moving slowly due to financial constraints at the DWS.

CAPITAL INVESTMENT

The entity did not have any infrastructure projects in progress during the year. The only capital expenditure related to the purchase of computer equipment and is outlined in the financial statements.





PART C

GOVERNANCE

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society”

ADRIAN CADBURY

COMPOSITION OF EWSETA ACCOUNTING AUTHORITY

COMMENCED TENURE 1 APRIL 2020



LIMAKATSO MOOROSI
Chairperson
DVM, MSc. Agric., Mgmt. Dev.



SOLOMON BOKABA
Organised Employer
B Juris, LLB, LLM (Administrative and Municipal Law)



ESMÉ COETZER
Organised Employer
BA (Hons) (Psychology), MBL, DBL



MONICA MALUNGA
Organised Employers
BSc., BTech (Management)



VERENA MEYER-SINGH
Government Department
BSc. Agric. Microbiology, BSc (Hons) (Water Utilisation), MSc (Water Utilisation), MEd Env. Ed.



HILDA MHLONGO
Government Department
BCom, BCom Hons (Mgmt) (IP), HRM, MBL



KEAGILE PHOLOBA
Organised Labour
BA, Higher Education Diploma, BEd (Curriculum Design)



NDLELA RADEBE
Organised Labour
Labour Law, Labour Relations



THOMAS WEDDERSPOON
Organised Labour
Development Programme Labour Relations



LESTER GOLDMAN
Professional Bodies
Diploma Bus. Mgmt., BCom (Acc), MBA, DBA



NHLANHLENI NGIDI
Organised Employer
BTech (Elec. Eng.), MDP, MBL



DUMISANE MAGAGULA
Organised Labour
NTC, DipTh



NOMAVA NOBATANA
Organised Labour
BA (Communication), HRM Dip, Hons (IP), PostGrad Dip. Labour Law



NANDI MALUMBAZO
Community Organisations
BSc. (Chem. Biochem. Microbio.), BSc. (Hons), MSc. (Synthesis Organic Chem.), Ph.D (Chem. Eng.)



RUTH NTLOKOTSE
Organised Labour
NDip (Analytical Chem), BA (IR and Political Studies) BA Hons (Labour Policy & Globalisation)

BEREAVEMENT NOTICE

Mr John Ndlela Radebe passed away on 4 August 2021. He represented labour on the EWSETA Accounting Authority with distinction since 2018.

This is a man who made an important contribution to the organisation and he will be remembered for his kind, gentle manner and the way in which he always offered encouragement.

May his soul Rest In Peace.

GOVERNANCE INFORMATION

Corporate governance is a system of rules, practices and processes by which the EWSETA is directed, controlled and held to account.

In addition to legislative requirements, corporate governance at EWSETA is applied through precepts of the SDA and run in tandem with the principles contained in King's Report on Corporate Governance.

THE EXECUTIVE AUTHORITY

The Accounting Authority of EWSETA accounts to the Minister of Higher Education, Science and Technology, who in turn accounts to Parliament and the Parliamentary Portfolio Committee on Higher Education, Science and Technology.

In terms of Section 13 of the enabling legislation, the Minister must approve the Constitution of the EWSETA. Thus, in executing accountability and responsibility functions, the Executive Authority exercises its powers in terms of the PFMA, the SDA, the Constitution of EWSETA and any other applicable legislation.

THE ACCOUNTING AUTHORITY

The Accounting Authority is the governing body of EWSETA, and members have a collective responsibility to meet the fiduciary duties enshrined in the primary legislation and various governance codes. The composition of the Accounting Authority complies with the requirements of Section 11 of the SDA.

In addition to provisions on accountability within the legislative framework and governance prescripts, the Accounting Authority has the following responsibilities:

- To govern and manage EWSETA in accordance with legislation,
- To set organisational culture,
- To provide policy and strategic direction and over implementation,
- To review management performance and oversee risk management,
- To ensure the objectives and functions of EWSETA comply with the constitutional, legislative and policy mandates.

THE ACCOUNTING AUTHORITY CHARTER

The EWSETA Constitution serves as the Accounting Authority charter. The Constitution is to be read in conjunction with the SDA and other committees' terms of reference.

COMPOSITION OF THE ACCOUNTING AUTHORITY

The Accounting Authority is constituted and composed in terms of Section 8(5) of the Constitution. In terms of Sections 8(2)(d) of the Constitution, the Accounting Authority may establish Committees to assist in the execution of its responsibilities.

During the year under review, leadership attended and participated in the meetings of the Accounting Authority and its Committees as shown on the next page:

ACCOUNTING AUTHORITY AND COMMITTEE MEETINGS: RECORD OF ATTENDANCE

Total Number of Meetings Held in 2020/21					
MEETINGS SCHEDULED	AA	EXCO	ARC	FRC	GSC
Scheduled	4	4	3	3	4
Special	3	3	3	3	1
Strategic Planning	1	–	–	–	–
AGM	1	–	–	–	–
Induction	1	–	1	–	–
Strategic Risk Workshop	–	–	1	–	–
Accounting Authority Training	2	–	–	–	–
Members of the Accounting Authority and its Committees					
Limakatso Moorosi (Chairperson)	9/12	7/7	–	–	–
Solomon Bokaba	11/12		8/8		
Esmé Coetzer	11/12	–	–	6/6	–
Lester Goldman	12/12	7/7	–	–	5/5
Dumisane Magagula	11/12	7/7	–	5/6	2/5
Nandi Malumbazo	12/12	7/7	–	–	5/5
Monica Malunga	9/12	7/7	–	6/6	–
Verena Meyer-Singh	12/12	–	–	–	5/5
Hilda Mhlongo	10/12	–	–		–
Nhlanhleni Ngidi	10/12			6/6	4/5
Nomava Nobatana	11/12	–	8/8	–	–
Ruth Ntlokotse	12/12	–	–	6/6	–
Keagile Pholoba	6/12	–	–	–	4/5
Ndlela Radebe	10/12	–	–	3/5	–
Thomas Wedderspoon ¹	7/12	–	–	–	3/5
Independent Members of the Audit and Risk Committee					
Mariana Strydom (Chairperson)	10/12	–	8/8	–	–
Faizal Docrat	–	–	8/8	–	–
Lwazi Giba	–	–	8/8	–	–
Sedzani Musundwa	2/12	–	8/8	–	–
Co-opted Members of the Finance and Remuneration Committee					
Lethabo Manamela ²	–	–	–	1/5	–
Moshupi Mokgobinyane ²	–	–	–	1/5	–

Total Number of Meetings Held in 2020/21					
Executive Team					
Mpho Mookapele (CEO)	12/12	7/7	8/8	6/6	5/5
Ineeleng Molete (COO) ³	9/12	6/7	7/8	4/6	4/5
Candice Moodley (CSE)	3/12	7/7	8/8	6/6	–
Robyn Vilakazi (CFO) ⁴	2/12	1/7	2/8	1/6	–
Tsholofelo Mokotedi (AEPRM)	3/12	6/7	7/8	–	4/5

Notes: 1 – Resigned 26 March 2021 | 2 – Appointed January 2021 | 3 – Resigned 31 December 2020 | 4 – Appointed 01 March 2021

REMUNERATION OF THE ACCOUNTING AUTHORITY

Members of the Accounting Authority and its committees receive an allowance for attending and contributing to official meeting. The rates are aligned with remuneration level sub-category S in the “Circular from the National Treasury on Adjustment of Remuneration Levels”, as determined by the Minister of Finance and approved by the Minister of Higher Education, Science and Technology.

According to Circular 2 on “Remuneration Tariffs for Accounting Authority and Committee members of SETAs and non-SETAs that report to the DHET”, daily rates apply for attending and preparing for Accounting Authority and committee meetings. Ministerial appointments and independent committee members receive allowances. Members who are public or government employees are not remunerated for attending meetings unless they take leave. Relevant taxes apply.

MINIMISING CONFLICT OF INTEREST

Members of the Accounting Authority and its committees are required to complete and sign an annual declaration of interest form to declare potential conflicts with the business of EWSETA. This practice is an agenda item before meetings commence, where all members are requested to declare potential conflict of interest against any agenda item, and where members have conflict, they are recused from the meeting.

COMPANY SECRETARY

The services of a company secretary are outsourced to a service provider who advises the Accounting Authority on governance protocols, obligations and compliance with applicable legislation. The company secretary coordinates the activities and provides full support to the Accounting Authority of EWSETA and its committees.

RISK MANAGEMENT AND COMPLIANCE

The EWSETA Risk Management policy and strategy describes a structured approach to risk management, to ensure that the organisation is able to formulate and execute the strategy effectively and efficiently. EWSETA adopts the three lines of defence approach to risk management. Line Management is the first line of defence, the Risk and Compliance Management function is the second and independent assurance providers is the third. Assurance providers are internal and external auditors.

Risks and mitigation plans are continually monitored and reviewed; this includes the identification of emerging risks. Management are responsible for identifying risks and mitigation plans on a quarterly basis. A strategic risk workshop is conducted annually at an Executive level to identify risks that impact on the achievement of organisational objectives.

The entity has also established a Risk Steering Committee comprising managers from all branches. The committee will advise management on the overall system of risk management. It will also define the risk appetite and risk tolerance levels for the organisation, and otherwise contribute to the improvement of risk management organisation-wide. The internal risk management processes are driven by the Risk and Compliance Management function.

The progress of the implementation of mitigation plans are regularly shared with the relevant governance structures to monitor the effectiveness of the system of risk management. Additionally, the entity has an outsourced internal audit function reporting directly to the Audit and Risk Committee, that conducts internal audits in accordance with a three-year rolling plan.

INTERNAL CONTROL UNIT

The entity has a Risk and Compliance Management function that actively co-ordinates the management of risk and implementation, monitoring and improvement of controls. This includes monitoring the implementation of recommendations from internal and external auditors.

In additional to its routine activities, the Risk and Compliance management function engaged the services of an independent service provider to assess the organisation’s risk maturity during the current year. Their report diagnosed the entity’s risk management status as ‘defined’. Management have developed a set of corrective actions with the aim

of moving the organisation’s risk maturity status to ‘managed’ within two years.

INTERNAL AUDIT AND AUDIT COMMITTEES

Internal audit conducts its activities in accordance with an approved charter aligned to the requirements of the Institute of Internal Auditors. The objectives of the Internal Audit Function are, amongst others, to provide management with reasonable, but not absolute, assurance that:

- Risks are properly managed;
- Assets are safeguarded;
- Financial and operational information is reliable;
- Operations are effective and efficient; and
- Laws and regulations are complied with
- Safeguard against fraud and corruption, misstatement, irregular and unauthorised expenditure is an effective system of internal control.

The following audits have been performed during the current year:

Internal Audit

- Audit of Predetermined Objectives
- Information Technology General Control environment (ITGC) Review
- ICT Governance Review

- Internal Financial Controls Review
- Supply Chain Management
- Projects, Contracts & Commitments
- Review of Annual Financial Statements

External Audit

- Interim audit
- Final audit

The EWSETA has an Audit and Risk Committee, which is a sub-committee of the Accounting Authority. The Audit and Risk Committee’s duties are in line with the PFMA. Amongst others, the key duties of ARC is to review and make recommendations in respect of:

- The functioning and overall-efficiency and effectiveness of the internal control system;
- The functioning of the service provider appointed by the Accounting Authority to perform the internal audit function;
- The risk areas of EWSETA’s operations, which are to be covered by the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to the Accounting Authority;
- The scope and results of the external audit and its cost-effectiveness, as well as the independence and objectivity of the external auditors;

- The cooperation and coordination between the internal and external audit functions, and their cooperation and coordination, pertaining to the management of EWSETA;
- The adequacy and effectiveness of the risk management processes followed and the development, maintenance and enhancement of fraud prevention plans;
- The effectiveness of the system for monitoring compliance with laws, regulations and policies, and the results of management’s investigation and follow-up action (including disciplinary action) of any instance of non-compliance; and
- EWSETA’s IT controls and IT Governance.
- Review the annual financial statements and establish whether the statements have been prepared in accordance with the PFMA and related Treasury Regulations, including the applicable accounting framework.

COMPLIANCE WITH LAWS AND REGULATIONS

EWSETA operates within a diverse regulatory environment of government legislation. As such, the organisation has a compliance universe in place. The universe has been designed to provide EWSETA management with guidance on the compliance requirements applicable to the entity. This assists management to identify and manage Legislative and Regulatory Compliance risks. The Risk and Compliance Management function has

a professional subscription to receive updates on legislation that might have an impact on EWSETA and uses this to maintain the compliance universe. The organisation also tracks the implementation of mitigations and recommendation for non-compliance that are raised by the Auditor General. Accounting Authority and EXCO members have also been trained by IoD SA in terms of corporate governance.

FRAUD AND CORRUPTION

EWSETA has conducted a fraud risk assessment and has in place a fraud prevention plan which sets out the annual fraud risk management implementation plan. The plan is developed to give effect to the Whistle-Blowing policy and is reviewed and approved annually by the Audit and Risk Committee and approved by the Accounting Authority. The plan provides mechanisms for the prevention, early detection and investigation of irregularities.

The entity has an Anonymous Hotline that enables all stakeholders to report concerns about unethical or unlawful behaviour at EWSETA. The hotline details are posted on the website, tender documents and are periodically communicated to all stakeholders. All irregularities reported through reporting channels are investigated and appropriate action is taken to address them. The Audit and Risk Committee monitors the calls to the hotline on a quarterly basis.

Employees are further encouraged to report unethical behaviour without fear of reprimand

or victimisation. All reports are investigated and appropriate action is taken to address them.

MINIMISING CONFLICT OF INTEREST

The entity has established several mechanisms to prevent conflicts of interest. Employees perform an annual declaration of interests. Governance committee members also perform declarations of interest annually and at the start of each meeting.

In the procurement process, additionally, Supply Chain Management function employees and members of all bid committees declare their interests at every meeting. The Standard Bidding Document 4 (SBD 4) forms part of the mandatory documents to be signed by every potential bidder. SBD 4 clearly outlines activities that might lead to conflict and it provide an opportunity for bidders to declare the interests upfront. Failure to declare correctly may lead to the bid being disqualified and reported to National Treasury for blacklisting.

EWSETA’s ethics are supported by a set of values that define the EWSETA ethics charter (code of conduct). The EWSETA values are:

- Respect
- Integrity
- Teaming
- Excellence

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Y	All bidding documents have an evaluation criteria embedded. This sets out the criteria for all evaluation stages from pre-evaluation up to the pricing stage
Developing and implementing a preferential procurement policy?	N	The policy has not been developed but it has been identified in the BBBEE strategy as a deliverable that needs to be in place prior to the next BBBEE verification
Determining qualification criteria for the sale of state-owned enterprises?	N	This is not applicable to EWSETA
Developing criteria for entering into partnerships with the private sector?	N	A partnership model is being developed. Criteria will be developed to feed into the partnership model
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N	The criteria have not been developed but it has been identified in the BBBEE strategy as a deliverable that needs to be in place prior to the next BBBEE verification



AUDIT AND RISK COMMITTEE REPORT

“Good corporate governance is not negotiable and it depends on the ability by management and those charged with governance to take responsibility”

MARIANA STRYDOM,
CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE

We are pleased to present the Audit and Risk Committee (ARC) report for the financial year ended 31 March 2021.

ARC RESPONSIBILITY

This report serves to confirm that the ARC has complied with its responsibilities arising from section 51(1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 27.1.1. The ARC also confirms that it has adopted formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

MEMBERS OF THE ARC

The ARC is comprised of two members representing the accounting authority an independent chairperson and three independent members, namely:

Ms. Mariana Strydom	Independent Chairperson
Mr. Faizal Docrat	Independent Member
Mr. Lwazi Giba	Independent Member
Ms. Sedzani Musundwa	Independent Member
Mr. Solomon Bokaba	Member of the Accounting Authority (Organised Employers)
Ms. Nomava Nobatana	Member of the Accounting Authority (Organised Labour)

The committee is satisfied that its members possess the requisite skills, knowledge and experience to fulfil the responsibilities of the ARC. The Auditor-General of South Africa (AGSA) confirms in the management report that ARC is an assurance provider of the EWSETA.

MEETINGS HELD BY THE ARC

The members of ARC were inducted and onboarded on 18 September 2020. They all attended the strategic risk workshop on 9 November 2020. Further to this, the members attended 6 scheduled meetings during the financial year ending 31 March 2021 as reflected in the table below:

Member Name	24 Jul 20	22 Sep 20	28 Oct 20	17 Nov 20	18 Feb 21	17 Mar 21
Mariana Strydom	✓	✓	✓	✓	✓	✓
Solomon Bokaba	✓	✓	✓	✓	✓	✓
Nomava Nobatana	✓	✓	✓	✓	✓	✓
Faizal Docrat	✓	✓	✓	✓	✓	✓
Sedzani Musundwa	✓	✓	✓	✓	✓	✓
Lwazi Giba	✓	✓	✓	✓	✓	✓

THE EFFECTIVENESS OF INTERNAL CONTROLS

The ARC confirms that the system of internal controls applied by the entity over financial and risk management is effective and efficient, and

compliant with the PFMA. The internal controls that were not effective related to the projects, contracts and commitments, as reported by internal audit.

FINANCIAL MANAGEMENT ENVIRONMENT

The ARC noted that the financial management environment had been strained due to ongoing health issues of key staff members, resulting in frequent unplanned sick days and reduced productivity during the course of the financial year. With the audit undertaken in a level 4 lockdown, due to the peak of the third wave of Covid-19, management was challenged to implement alternative ways of working, providing additional supporting documentation, addressing findings and simultaneously ensuring that they adhered to the agreed upon response times of AGSA.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The ARC has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the AGSA.
- Reviewed the AGSA's management report and management's response thereto.
- Reviewed the entity's compliance with legal and regulatory provisions.
- Reviewed the audited information on predetermined objectives to be included in the annual report.
- Reviewed significant adjustments resulting from the audit.

- The quality and timeliness of the financial information availed to the audit committee for oversight purposes during the year such as interim financial statements, management accounts and quarterly reports before submission to National Treasury.

INTERNAL AUDIT

The ARC is satisfied that the outsourced internal audit function operated effectively and that it has addressed the risks pertinent to the entity. The management report of the AGSA confirms that internal audit is an assurance provider.

AUDITOR-GENERAL OF SOUTH AFRICA

The ARC concurs with and accepts the opinion expressed by the Auditor-General on the annual financial statements. The ARC is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Without qualifying the above statement, the significant impairment of a receivables balance on the Statement of Financial Position raised from the forensic reports is noteworthy for this report.

On behalf of the Audit and Risk Committee:

Ms. M. Strydom
Chairperson of the Audit and Risk Committee



PART D

HUMAN RESOURCES

“A healthy corporate culture is built through proper management techniques put into action, which in turn aids in shaping a peacefully coherent work environment with healthy interactions capable of drawing out the maximum potential from the employed”

HENRIETTA NEWTON MARTIN

HUMAN RESOURCES REPORT

“Performance Management remains an invaluable tool to monitor and measure our progress towards organisational goals. This function enables and supports one of EWSETA’s strategic objectives of developing a High-Performance Culture that is largely based on the EWSETA’s Respect – Integrity – Teaming – Excellence (RITE) values”

CANDICE MOODLEY, CORPORATE SERVICES EXECUTIVE

The Human Resources department faced a series of serious challenges during the period under review.

We started the year severely short of physical resources with a number of vacancies in key positions, leaving many of the organisational branches under capacitated. We had anticipated filling these key vacancies, specifically recruiting the critical skills needed to close the gap and create management stability within the organisation.

This already pressing challenge was further impacted by the national lockdown, that resulted in a hold on all recruitment for some time. This lengthy period created backlogs and work pressure among the staff who had to carry an additional workload. The stressed environment then overflowed into the work culture, severely effecting staff morale, which was reflected in the low employee engagement scores.

By the time SETAs were once again able to commence recruitment activities, the EWSETA had embarked on an operating model and intensive organisational design (OD) project that brought with it a state of flux in that we did not want to appoint

on a permanent basis for many of the positions because ultimately, the OD would have an impact on the structure.

We sought to ‘fill the pressing gaps’ by employing the skills we required on a temporary or contractual basis, but response from the market was extremely poor, which was to be expected given that highly skilled individuals do not want to leave the security of a permanent job for a temporary one. Despite the challenges HR had from a resource perspective during this period, we managed to seamlessly implement our day-to-day HR activities and have adapted well to the remote working environment, while still assisting the management team and staff with their human resource needs.

During this reporting period, we had 69 members of staff of which eight are in the regional offices, and managing to contain the pandemic is an achievement of which we can be justly proud.

HR was part of the Disaster Management Committee, established immediately when a national state of

disaster was declared and of which I was Chair. It is a large committee, and represented by all branches across the organisation. Weekly meetings were held to address the numerous aspects of dealing with the pandemic, and this included the development of several critical documents including our Workplace Plan.

In addition, we developed an online COVID screening platform form for our staff and stakeholders, COVID-19 travel guidelines for staff, COVID-19 case management guidelines and we conducted an OHS assessment of the office environment to assess our levels of compliance around COVID regulations, as per the Disaster Management Act. Any non-compliance areas were immediately addressed and resolved.

We procured the requisite PPE, as well as having a compliance officer who provides a compliance and COVID-19 update report on a weekly basis. Whilst staff development and training will always be a priority for the organisation, in the year under review, it was not something that we were able to drive robustly. Here the target was not achieved which was mainly as a result of a very disruptive

learning environment, where before training was predominately classroom based, the lockdown required adaptability to more online learning approaches for personal development and as we know, there are those who thrive in this environment and those who do not. While some staff remained committed to self-development others, perhaps for circumstances beyond their control, lost motivation.

On the positive side, some of our staff who were undertaking a Human Resources degree at Northwest University graduated during this challenging time.

We continued to strengthen the relationship with our wellness partner ICAS to provide ongoing support to employees dealing with challenges and difficulties. We launched monthly ‘Staff Connect Sessions’ that not only serve to improve communication within the organisation, but also drive and develop knowledge on the energy and water sectors to improve our service delivery to all our Stakeholders. These sessions allow us to express our appreciation and recognition to our staff for the dedication and commitment they possess with and also provide staff with a platform to raise matters that concern them.

Performance management remains an invaluable tool to monitor and measure our progress towards organisational goals. This function enables and supports one of EWSETA’s strategic objectives of developing a High-Performance Culture that is largely based on the EWSETA’s Respect – Integrity – Teaming – Excellence (RITE) values. Through living our RITE values, we believe that we will be able to instill a culture of ownership, accountability and

impact for every action taken across every level of operation.

Our duty to champion all EWSETA policies to protect both the employer and employee relationship remained a key focus for the HR Department. This included the update of all HR policies to enable a fair and professional Labour Relations environment.

I am also pleased to report that we have developed a constructive relationship with our recognised union SASAWU and have together, through our signed Recognition Agreement, managed to navigate a number of labour issues in the period under review. The union is active in all our HR Committees including our Training & Development Committee, Employment Equity Committee, Performance Moderation Committee and are members of the Operating Model and Organisational Design Project Steering Committee.

LOOKING TO THE FUTURE

A robust employee engagement strategy has been developed and will be implemented in the coming year.

As part of the OD process, we are undertaking a skills audit that will help us identify the skills gaps that we have in the organisation that may limit us from reaching our full potential, and possibly hamper our operating model’s effectiveness. Once we are able to determine the extent of the skills required for our future ‘to be’ state, we will develop a range of interventions to steadily close that skills gaps and bring in the competencies required for us to be an effective ‘Authority’.

The HR Department is on an exciting journey and will have a key role to play in ensuring the organisation is capacitated with the right to assess skills that will see the EWSETA reach its true potential and achieve success in establishing itself as an authority in South Africa’s energy and water sector.

Candice Moodley
Corporate Services Executive

HUMAN RESOURCES OVERSIGHT STATISTICS



PERSONNEL COST BY PROGRAMME

Programme	Personnel Expenditure (R '000)	Personnel Expenditure as a % of total expenditure	No of Employees	Average personnel cost per employee
Administration	20 079	51.61%	27	743
Special Projects (War on Leaks)	3 212	8.26%	9	356
Discretionary Grant Projects	15 617	40.14%	33	473
Total	38 908	100%	69	563*

*This figure does not represent a total, but is rather the average cost per employee based on number of employees in relation to personnel expenditure



PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R '000)	% of personnel expenditure to total personnel cost	No of employees	Average personnel cost per employee
Top Management	4 200	10.80%	3	1 400
Senior Management	14 610	37.55%	15	974
Professional Qualified	9 344	24.02%	16	584
Skilled	2 360	6.07%	5	472
Semi-skilled	8 370	21.51%	27	310
Unskilled	22	0.05%	3	5
Total	38 908		69	563



PERFORMANCE REWARDS

	Performance Rewards (R '000)	Personnel Expenditure (R '000)	% of performance rewards to total personnel cost
Top Management	119	4 201	10.79%
Senior Management	186	14 610	37.54%
Professional Qualified	234	9 344	24%
Skilled	47	2 360	6.06%
Semi-skilled	196	8 391	21.56%
Unskilled	-	-	-
Total	782	38 908	



TRAINING COSTS

	Personnel Expenditure (R '000)	Training Expenditure (R '000)	Training expenditure as a % of Personnel cost	No of employees trained	Average training cost per employee (R '000)
Operations	17 493	234	1.3%	6	39
Planning, Reporting & Monitoring	3 806	114	2.9%	4	28
Finance	7 017	33	0.4%	4	8
Corporate Services	4 527	29	0.6%	1	29
Office of the CEO	6 066	12	0.3%	4	3
Total	38 908				



EMPLOYMENT CHANGES

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top Management	0	1	0	1
Senior Management	3	1	2	2
Professionally Qualified	14	2	2	14
Skilled	49	0	1	48
Semi - Skilled	0	5	1	4
Unskilled	0	0	0	0
TOTAL	66	9	6	69



EQUITY TARGETS, EMPLOYMENT EQUITY: MALE

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professionally Qualified	5	0	0	0	0	0	0	0
Skilled	16	0	0	0	1	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	21	0	0	0	1	0	0	0



EQUITY TARGETS, EMPLOYMENT EQUITY: FEMALE

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	0	0	1	0	1	0	0	0
Professionally Qualified	6	0	0	0	0	0	1	0
Skilled	34	0	2	0	0	0	1	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	41	0	3	0	1	0	2	0



DISABLED

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professionally Qualified	0	0	0	1	0	0	0	0
Skilled	0	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	0	1	0	0	0	0



REASONS FOR TERMINATIONS

Reason	Number	% of total number of staff leaving
Death	0	0%
Resignation	4	6%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of contract	0	0%
Other	1*	0%
TOTAL	5	6%

* Student Intern who had to go back to course of study hence our labour turnover remains 6% in terms of resignations received



LABOUR RELATIONS: MISCONDUCT & DISCIPLINARY ACTION

Nature of disciplinary action	Number
Verbal warning	1
Written warning	3
Final written warning	3
Dismissal	0
TOTAL	7



PART E

FINANCIAL INFORMATION

“Passion is critical in the roles that we fulfil in government – working with limited budgets, often in difficult circumstances, trying to better the lives of citizens through what we do, is challenging, and only a passion for creating a better future will see us in this ambition”

KIMI MAKWETU



REPORT BY THE CHIEF FINANCIAL OFFICER

“The finance branch’s contribution to achieving the organisation’s vision is to align ourselves with the changes in the organisation that come from defining us as an authority and operating as such. To this end, we must be onboard with our internal processes, which will be changing in terms of the way that we operate, what we actually do, where our focus will be and to explore how to fast-track and expedite processes, so that we are not an impediment to becoming an authority, but rather an asset”

ROBYN VILAKAZI, EWSETA CFO

This past year, the finance branch of the EWSETA adopted a flexible and adaptive approach to successfully navigate the challenges that disrupted our processes. While some of this adaptability was intended and planned, some was forced on us, but all were necessary for us to function optimally.

OVERVIEW OF THE YEAR

Adapting to the different working environment in the wake of the pandemic necessitated rethinking and re-evaluating how the entire organisation conducted business, it is finance that is both the start and the end point of the organisation’s processes.

Acclimatising to the changed environment took a conscious mind shift, we had to consider how processes might be changed and adapted and, in many cases, made more efficient, especially when working remotely formed part of the equation. We were forced to look within, to explore the legal requirements to ensure continuity and efficiencies and to investigate what was and wasn’t possible operationally.

We lived the very aptly selected current theme of Adaptability through Disruption.

In the initial stages of the lockdown, it was a process of continual improvement, learning and adapting.

We were required to become more agile and flexible because the ‘old way’ of working was no longer an option and we very quickly had to embrace the ‘New Normal’.

It was a trying time for everyone and as is the case with anything that is new, it was a case of trial and error, what would work and what could be relooked, until a happy medium was decided on that functioned efficiently and produced the desired results. It was a very necessary struggle that we had to endure.

The EWSETA operates in a very legislated environment, and in the early stages of the lockdown various amendments to legislation were introduced, flowing from the Disaster Management Act. This included an absolute exception, namely moving previously legislated deadlines which, prior to the national lockdown, was unheard of.

In addition, previously legislated processes around tenders — where the physical documents are delivered — had to be relooked. New legislation was issued prohibiting delivery until further notice, which in turn caused a backlog in certain processes that were still due to take place, and the domino-effect impacted on the finance branch.

New legislation around timelines also changed the biggest deadline, the submission of statutory financial statements on the 31st of May. We were forced to change and adapt the familiar rhythm,

routine and expectations to which we had become used to around submissions.

People were constantly having to update to the new deadlines, ensure priorities were accurately planned and adhered to, in line with what needed to be done. All these disruptions to how we were used to working inevitably affected performance.

To compound these challenges, last year the President announced the implementation of a four-month Skills Development Levy (SDL) payment holiday as a relief measure for businesses during the lockdown period.

This generous gesture impacted severely on the EWSETA’s revenue and our anticipated income for the 2020/21 period of R370 million, was reduced to R246 million. We were required to revise our anticipated targets for the year and, with a reduced budget we had to make some concessions as to where the money could best be allocated and collected.

Nevertheless, on a level, this unforeseen event was almost serendipitous. The EWSETA is in the process of undergoing significant organisational redesign, involving a very comprehensive process that encompasses many different areas of the business, and the unanticipated levy holiday forced us to fast-track the organisational redesign process and to explore how we can better do things going forward.

We need to be financially sustainable, and reliance on income that wasn’t forthcoming obviously impacted on this principle: suddenly we were minus the skills levy for four months, an unexpected occurrence. Thus, we were galvanised into adopting a different mind-set and exploring means of surviving the very real shortfall. We had to assess how to operate differently, specifically being more prudent with expenditure and funds allocation, in line with our organisational redesign process.

Adapting to the unexpected and unforeseen became a reality these past twelve months, and we were forced to become very smart — very quickly! There was no time for complacency and initiative was the name of the game henceforth. Into this exciting time, I took on my role of Chief Financial Officer.

NEW ROLE, NEW VISION

Since my appointment as CFO in March 2021, my vision for the finance branch has been evolving, and while I am putting realistic measures and milestones in place to align the branch with the new organisational design, I have realised, not everything can be achieved within one financial year, regardless of enthusiasm. It is unrealistic to embrace a new role believing that I can change everything overnight; it is a slow, defined, and dedicated process to impact the branch positively — and in a sustainable manner.

This is especially true being at the helm of a branch with a medley of personalities, skills and abilities under my watch. Not only do I need to guide, nurture and build my team, but they too need to develop trust in my skills, confidence in my work ethic and my vision for the branch, and ultimately, benefit and serve the EWSETA, through team collaboration and support for each other.

Also, our training and communication needs to improve and that is on my list of items to address this coming financial year.

I aim to build towards a three-year vision that will follow the principle of *'leave the finance branch better than you found it and be remembered for the positive impact you made'*. Only then will the branch meet its goal to align with the new organisational design that is underway.

FINANCIAL CHALLENGES AND SOLUTIONS

EWSETA's finances have a long history of exceeding the allocated 10.5% administration budget and, while measures have been taken in the past that might have been appropriate at the time, the issue remains a systemic challenge, impacting negatively on the organisation. Therefore, the greatest change that we are making is to address this challenge head-on within the organisational design process, namely, to stay within budget by looking at more

competent, cost-efficient, and cost-effective ways of delivering on our operations.

On a day-to-day basis, while we practise strict cost-effective procedures, adhering to limits as determined by National Treasury, we aim to make a fundamental shift in the way that we do business. Our aim is to become the authority that delivers on our mandate, exploring opportunities for cost saving in the organisation and then implementing them.

We have also taken a very strong stance on consequence management around historical irregular expenditure. Deep thought goes into the appropriate consequence management for each instance, including considering what the role of the person is in the organisation and if the incident is a repeat offence, as well as the value and nature of the transgression in question. It is about appropriate accountability, with the aim of serving as a deterrent and to give any potential offender cause to pause.

Again, adequate organisational training could equip us to identify when a situation of irregular expenditure could arise and help us as an organisation, to avoid it.

An emerging challenge over the year under review, has been filling personnel vacancies. Owing to our organisational redesign process, we have not been rehiring into all vacant positions and, because finance and supply chain management work in

tandem with the rest of the organisation, if a position falls vacant and remains so, it poses a challenge to keep certain supply chain and financial processes moving smoothly.

In addition, the onset of the pandemic exposed challenges with staff transitioning to working remotely. This included the unfamiliar process of relying closely on electronic documentation and storage processes, on which the smooth functioning of the finance branch and supply chain management are absolutely dependent, specifically for all-important record keeping.

From a supply chain management side, we have improved incrementally in our operations on a year-on-year basis, including the period under review. For example, while a fair share of our irregular expenditure is historical, we are steadily incurring a lot less incrementally and this includes fruitless and wasteful expenditure.

We are also fortunate in that our supply chain manager ensures ethical operations with strict adherence to supply chain compliance through his team of competent and knowledgeable staff.

However, continuous improvement is important, and the key to maintaining this is through creating more training opportunities and being more visible in our organisational communication around ethics, trust, accountability, and responsibility.

I believe this approach will contribute towards the high-performance culture that the EWSETA is striving towards.

OUTLOOK FOR THE NEXT 12 MONTHS

We are already looking at rebuilding based on the organisational redesign project, actively working at achieving our targets.

While we do expect some permanent impact resulting from COVID-19 going forward, the fact remains that the provision of water and energy services are essential.

In the energy space, there is so much happening in renewable energy, green energy, and it is chartered in our national plans that investment in the energy sector will drive economic growth. So, within the next 12 months we may not necessarily recover fully, but beyond, in the medium to long term, we definitely expect our finances to recover.

I anticipate that within the next 12 months, exceeding the 10.5% administration public is still going to be a challenge for us and we are not going to overcome it in this financial year. However, in the medium term as we start to implement the organisational redesign process, I am confident that we will make headway in that area.

Looking ahead, in both the long and short-term, we are definitely economically viable. Every year we perform a going concern assessment to assess whether we think that we will continue to be economically sustainable for the coming 12 months and beyond, and the results of the latest assessment found it to be the case, based on our large, accumulated surpluses and cash balances.

In fact, should it be the case, we are well-positioned to pay every one of our contracts in full, just based on the money in the bank, with some to spare, discounting the incoming levies as from April 2021.

We are always looking at ways to improve or to ensure that we stay economically viable, that we stay in our sound financial position.

Adaptability was definitely a skill that we developed specifically during the past year, learning how to pivot and change when needed. And, while we didn't necessarily start the year with this skill, we certainly have it now!

ACKNOWLEDGMENTS AND THANKS

I would like to acknowledge the governance bodies with whom I deal so closely, the Accounting Authority, the Audit and Risk committee and our Finance and Remuneration Committee. In my short

tenure to date, the guidance, support and input that they provide has really been invaluable.

To my fellow executives, I thank you for your honest and knowledgeable contributions. It is valuable to be part of a group of people who are aligned in thinking, yet have different and varied approaches to challenges which are shared with respect and decorum. I have huge admiration for your input, quality of interactions and collaboration.

I thank the EWSETA people for the commitment and resilience shown over this challenging and trying period and I look forward to the exciting journey ahead.

R. Vilakazi

Robyn Vilakazi
EWSETA CFO

Report of the Auditor-General
to Parliament on Energy and Water Sector Education and Training Authority

Report on the audit of the
financial statements

Opinion

1.

I have audited the financial statements of the Energy and Water Sector Education and Training Authority (EWSETA), set out on pages 82 to 131, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Energy and Water Sector Education and Training Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Accepted Accounting Practice (Standards of GRAP) and the requirements of the Public

Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3.

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4.

I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5.

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

Emphasis of matter

6.

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

Restatement of corresponding figures

7.

As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2021.

Responsibilities of the accounting authority for the financial statements

8.

The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9.

In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10.

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

A further description of my responsibilities for the audit of the financial statements is

included in the annexure to this auditor's report.

Report on the audit of the annual
performance report

Introduction and scope

12.

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13.

My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned

performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 3 – learning programmes and projects	141 - 155

15.

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 — learning programmes and projects

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 134 - 156 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

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

21. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not in accordance with the prescribed financial reporting framework as required by section 55(1)(a) and (b) of the PFMA.
23. Material misstatements of receivables from exchange transactions, receivables from non-exchange transactions, revenue, administration expenses, commitments, contingent assets and prior period errors identified by the auditors in the submitted financial statement were corrected and

the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R12 976 000 as disclosed in note 28 to the annual financial statements, as required by section 51(1) (b) (ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with the supply chain regulations.

Procurement and contract management

25. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Treasury Regulation 16A8.4 and paragraph 4.1.2 of Practice Note 7 of 2009/2010.
26. In some instances the prices of Personal Protective Equipment items charged by suppliers were not in accordance with Annexure A of the National Treasury Instruction note 8 of 2020/21 as required by paragraph 3.1.1 of the same instruction note.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal controls relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
32. Actions plans implemented by the public entity did not adequately address root causes

of previously reported audit findings as repeat findings were identified.

33. The public entity did not implement sufficient monitoring controls to ensure accurate and complete financial and performance reports were kept which resulted in material adjustments of the financial statements, performance report and non-compliance with laws and regulations.

Auditor - General

Pretoria
31 July 2021



Auditing to build public confidence

Annexure: Auditor-General's responsibility for the audit

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the EWSETA to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the

date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial period and the results of its operations and cash flows for the period then ended. The internal auditors are engaged to perform a review on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The members acknowledge that they are ultimately responsible for the system of internal financial

control established by the entity and place considerable importance on maintaining a strong control environment.

To enable the members to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The members have reviewed the entity's budget for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on page 82 to 131, which have been prepared on the going concern basis, were approved by the Accounting Authority on 28 May 2021 and were signed on its behalf by:



Dr. Limakatso Moorosi
Chairperson of the Accounting Authority

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note(s)	2021 R'000	2020 Restated R'000
Assets			
Current Assets			
Receivables from exchange transactions	2	4 270	39 562
Receivables from non-exchange transactions	3	9 366	81 603
Prepayments	4	720	6 075
Cash and cash equivalents	5	369 409	364 612
		383 765	491 852
Non-Current Assets			
Property, plant and equipment	6	24 795	61 564
Intangible assets	7	479	571
		25 274	62 135
Total Assets		409 039	553 987
Liabilities			
Current Liabilities			
Payables from exchange transactions	8	5 258	5 697
Payables from non-exchange transactions	9	99 697	68 437
Unspent conditional grants and receipts	10	19 128	19 869
Provisions	11	139 262	179 447
		263 345	273 450
Total Liabilities		263 345	273 450
Net Assets		145 694	280 537
Reserves			
Administration reserve		25 274	62 135
Mandatory grant reserve		40	233
Discretionary grant reserve		120 380	218 169
Total Net Assets		145 694	280 537

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2021

	Note(s)	2021 R'000	2020 Restated R'000
Revenue			
Non-exchange revenue	12	215 828	317 888
Exchange revenue	13	106	143
Investment revenue	14	9 363	20 442
Total revenue		225 297	338 473
Expenditure			
Mandatory grant and project expenses	15	(219 842)	(273 893)
Administration expenses	16	(29 756)	(47 923)
Employee related costs	17	(25 632)	(22 574)
Depreciation and amortisation		(876)	(822)
Impairment Loss		(83 964)	-
Repairs and Maintenance		(21)	(114)
Loss on disposal of assets		(42)	(107)
Total expenditure		(360 133)	(345 433)
Deficit for the year		(134 836)	(6 960)

STATEMENT OF CHANGES IN NET ASSETS
AS AT 31 MARCH 2021

	Administration reserve R'000	Mandatory grant reserve R'000	Discretionary grant reserve R'000	Total reserves R'000	Accumulated surplus R'000	Total net assets R'000
Opening balance as previously reported	62 008	100	195 246	257 354	-	257 354
Adjustments						
Prior year adjustments	(18)	-	30 157	30 139	-	30 139
Balance at 01 April 2019 as restated*	61 990	100	225 403	287 493	-	287 493
Changes in net assets						
Allocation of surplus (deficit) to reserves	(29 692)	9 893	12 839	(6 960)	6 960	-
Excess funds transferred to/from discretionary reserve	29 837	(9 760)	(20 077)	-	-	-
Net income (losses) recognised directly in net assets	145	133	(7 238)	(6 960)	6 960	-
Surplus for the year	-	-	-	-	(6 960)	(6 960)
Total changes	145	133	(7 238)	(6 960)	-	(6 960)
Balance at 01 April 2020	62 135	233	218 169	280 537	-	280 537
Changes in net assets						
Allocation of surplus (deficit) to reserves	(112 942)	2 188	(24 082)	(134 836)	134 836	-
Excess funds transferred to/from discretionary reserve	76 081	(2 381)	(73 700)	-	-	-
Net income (losses) recognised directly in net assets	(36 861)	(193)	(97 782)	(134 836)	134 836	-
Surplus for the year	-	-	-	-	(134 836)	(134 836)
Total changes	(36 861)	(193)	(97 782)	(134 836)	-	(134 836)
Balance at 31 March 2021	25 274	40	120 382	145 696	-	145 696

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Note(s)	2021 R'000	2020 Restated R'000
Cash flows from operating activities			
Receipts			
Cash receipts from stakeholders and customers		275 964	503 849
Interest income		9 363	20 442
		285 327	524 291
Payments			
Employee related costs		(25 632)	(22 574)
Mandatory grant, administrative and project expenses		(254 378)	(644 746)
		(280 010)	(667 320)
Net cash flows from operating activities	19	5 317	(143 029)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(520)	(802)
Purchase of other intangible assets	7	-	(173)
Net cash flows from investing activities		(520)	(975)
Net increase/(decrease) in cash and cash equivalents		4 797	(144 004)
Cash and cash equivalents at the beginning of the year		364 612	508 616
Cash and cash equivalents at the end of the year	5	369 409	364 612

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis						
	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions	-	-	-	106	106	
Other income						
Investment income	22 900	(7 634)	15 266	9 363	(5 903)	a
Total revenue from exchange transactions	22 900	(7 634)	15 266	9 469	(5 797)	
Revenue from non-exchange transactions						
Transfer revenue						
Special project income	-	-	-	5 151	5 151	b
Skills development levy income	370 173	(123 391)	246 782	209 213	(37 569)	c
Interest and penalties income	-	-	-	1 464	1 464	d
Total revenue from non- exchange transactions	370 173	(123 391)	246 782	215 828	(30 954)	
Total revenue	393 073	(131 025)	262 048	225 297	(36 751)	
Expenditure						
Employee-related costs	(38 974)	2 818	(36 156)	(25 632)	10 524	e
Depreciation and amortisation	-	-	-	(876)	(876)	f1
Impairment loss/ Reversal of impairments	-	-	-	(83 964)	(83 964)	f2
Rental for the premises	-	(3 000)	(3 000)	(3 613)	(613)	g
Repair and Maintenance	-	-	-	(21)	(21)	
Administrative Expenses	(54 405)	10 782	(43 623)	(26 143)	17 480	h

Budget on Cash Basis						
	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000	Reference
Mandatory Grant expenses	(77 808)	25 936	(51 872)	(46 854)	5 018	i
Discretionary Grant expenses	(221 727)	73 909	(147 818)	(169 382)	(21 564)	j
Special project expenses	-	-	-	(3 606)	(3 606)	k
Total expenditure	(392 914)	110 445	(282 469)	(360 091)	(77 622)	
Operating deficit	159	(20 580)	(20 421)	(134 794)	(114 373)	
Loss on disposal of assets	-	-	-	(42)	(42)	
Deficit for the year	159	(20 580)	(20 421)	(134 836)	(114 415)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	159	(20 580)	(20 421)	(134 836)	(114 415)	
Capital Expenditure						
Non-Current Assets	1 000	(1 000)	-	520	520	l
Property, plant and equipment						
Intangible assets	600	-	600	-	(600)	l
	1 600	(1 000)	600	520	(80)	

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand and have been rounded to the closest R1,000, except where indicated otherwise. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP. A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below. These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and

related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements and sources of estimation uncertainty include:

Useful lives and residual values of property, plant and equipment and intangible assets

All classes of property, plant and equipment are depreciated on a straight-line basis over the asset's expected useful life to their estimated residual value. The EWSETA reviews the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period if there is an indication that the useful lives or residual values may have changed. Refer to note 6 for the carrying values of property, plant and equipment.

EWSETA's mandate is dependant on the renewal of their operating licence which expires in 2030. Management has a reasonable expectation that the licence will be renewed indefinitely and therefore useful lives are not limited to the term of the licence.

Provision for performance bonus

The entity pays performance bonuses in accordance with the approved remuneration policy. The performance bonus provision is based on individual

provisional performance scores that are finalised after preparation of the financial statements. EWSETA therefore estimates the performance bonus based on the range of potential bonus payouts. The final bonus amounts are determined after finalisation of performance scores.

Provision for discretionary grants

The provision for discretionary grants relates to bursary programmes and outstanding discretionary grants invoices payable. A provision is raised for claimed discretionary grants where supporting evidence has not been received yet at year end.

The provision is estimated based on the amount being claimed by the recipient of the discretionary grant. Once EWSETA has verified the evidence supporting the discretionary grant or bursary claim, the amount paid may differ from the provision recognised in the financial statements.

Impairment of Exchange/Non-exchange Receivables

The entity assesses its receivables for impairment at the end of each reporting period. In determining whether a receivable is impaired, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the receivable.

An impairment loss is recognised when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment of property, plant and equipment

EWSETA assesses its property, plant and equipment for impairment if there is an indication at year-end, that it may be impaired. If so, EWSETA impairs the carrying value of the asset to its recoverable service amount. The estimation of the recoverable service amount is subject to several sources of estimation uncertainty.

During the current year, EWSETA recognised an impairment loss on a building. A description of the estimations made in determining the recoverable service amount of the building are disclosed in the property, plant and equipment note. Given the current COVID-19 pandemic, the estimation of property values is particularly sensitive as the pandemic has had a significant impact on the property market.

Classification of Cape House building as property, plant and equipment

The entity owns a building that is registered with the Heritage Council and enjoys protection from certain features that have historical importance. EWSETA

has applied its judgement in determinig whether a significant portion of the building meets the definition of a heritage asset. Based on the outcome of the judgement applied, EWSETA has classified the building as property, plant and equipment, primarily because the heritage protection applies to an insignificant portion of the building.

Classification of Cape House building as a non-current asset

As described in the property, plant and equipment note, EWSETA has during the current financial year, decided to dispose of its building. The sale of the building is subject to executive authority approval in accordance with the requirements of the PFMA. EWSETA has limited control over the approval process but knows that this approval process might not be completed within 12 months of the reporting date.

Furthermore, the costs for refurbishing the building is the subject of ongoing litigation of which further details are disclosed in the contingencies note, and this may impact management's decision on when to sell the building. For these reasons, we are continued to present the building as a non-current asset.

Mandatory grants payout rate

Mandatory grant expenditure and the mandatory grant liability were calculated using a 20% mandatory grant percentage; however, this percentage is

subject to legal matter which is pending. Further disclosure of the background and nature of the legal matter is provided in the contingencies note.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use in the production of services, or for administrative purposes, and are expected to be used during more than one period. The entity has designed all of its assets as non cash-generating, as all assets are used to deliver services and not generate a commercial return.

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

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

Typically this is when assets are delivered to EWSETA.

WProperty, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Discounts are deducted in arriving at the cost, and the cost of value-added tax is included as EWSETA is not able to claim this back from the revenue authority. EWSETA does not have any assets acquired through a non-

exchange transaction, or through an exchange of non-monetary assets.

After initial recognition, property, plant and equipment is accounted for on the cost model and carried at cost less accumulated depreciation and impairment losses (if applicable). Impairments are accounted for in terms of the accounting policy for impairment of non cash-generating assets. Assets are not depreciated until they are in the location and condition to be capable of operating in the manner intended by management i.e. available for use. Assets are depreciated on a straight-line basis over their useful lives to their residual values. EWSETA considers the straight-line basis to reliably reflect the pattern by which assets' service potential are consumed.

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	20 to 30 years
Furniture and fixtures	Straight-line	5 to 15 years
Motor vehicles	Straight-line	5 to 8 years
Office equipment	Straight-line	5 to 15 years
IT equipment	Straight-line	3 to 8 years
Leasehold improvements	Straight-line	Shorter of lease period and useful life of asset

EWSETA does not have any assets with parts that are depreciated separately; all items of property, plant and equipment are depreciated as a whole asset.

Annually, EWSETA reviews:

- The depreciation method applied to each asset and whether it is appropriate;
- The useful life of each asset and whether it still reflects the period over which service potential will be derived from the asset;
- The residual value and whether it still reflects the amount expected to be recovered from disposal of the asset at the end of its useful life.

If any of these assumptions and estimates has changed, EWSETA revises the depreciation method, expected useful life and/or residual value accordingly. The change is accounted for in accordance with GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors.

Items of property, plant and equipment are derecognised when there is no further economic

benefit or service potential expected from the use of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

1.3 INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary assets without physical substance. EWSETA intangible assets comprises only software.

The cost of an intangible asset is recognised as an asset when:

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

Typically this is when the software is received by EWSETA.

Intangible assets are initially measured at cost. The cost of an intangible asset is the purchase price and directly attributable costs of preparing the

asset for its intended use. Discounts are deducted in arriving at the cost, and the cost of value-added tax is included as EWSETA is not able to claim this back from the revenue authority. Where applicable, professional fees arising directly from bringing the asset to its working condition (e.g. installation, configuration and testing costs) are also included in the cost. EWSETA does not have any intangible assets acquired through a non-exchange transaction, or through an exchange of non-monetary assets.

After initial recognition, intangible assets are accounted for on the cost model and carried at cost less accumulated amortisation and impairment losses (if applicable). Impairments are accounted for in terms of the accounting policy for impairment of non cash-generating assets. Intangible assets are not amortised until they are capable of operating in the manner intended by management i.e. available for use. Assets are amortised on a straight-line basis over their useful lives. All EWSETA intangible assets have a residual value of zero. EWSETA considers the straight-line basis to reliably reflect the pattern by which assets' service potential are consumed.

The useful lives of intangible assets has been assessed as follows:

Item	Depreciation method	Average useful life
Computer software and Licenses	Straight-line	3 to 10 years

Annually, EWSETA reviews:

- The amortisation method applied to each intangible asset and whether it is appropriate;
- The useful life of each intangible asset and whether it still reflects the period over which service potential will be derived from the asset (all of EWSETA's intangible assets have finite useful lives).

If any of these assumptions and estimates has changed, EWSETA revises the amortisation method and/or expected useful life accordingly. The change is accounted for in accordance with GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors.

Intangible assets are derecognised when there is no further service potential expected from the use of the asset. The gain or loss arising from the derecognition is included in surplus or deficit when the item is derecognised.

1.4 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

EWSETA assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, EWSETA estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are

largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is included in the Statement of Financial Performance.

1.5 GRANTS AND PROJECT EXPENDITURE

Mandatory grant expenditure

Mandatory grants are paid to sector employers in terms of SETA Grant Regulation 4. Mandatory grant expenditure and the related payable is recognised when the employer has submitted an application for a grant in the prescribed form, within the agreed upon cut-off period, the application has been approved and the levy has been paid by the employer.

The mandatory grant equivalent to 20% (2020:20%) of the total levies paid by the employer. The payment of 20% is subject to judgement and is also a contingency. In this respect, additional disclosures are presented in the note for significant judgements and the contingencies note respectively.

The SETA refunds amounts to the employers in the form of grants based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers being in excess of the amounts the SETA is permitted to have granted the

employers. A receivable relating to the overpayments to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

Discretionary grants and project expenditure

Discretionary grant expenditure comprises two major components:

- Discretionary grants paid to education and training institutions, employers and other enterprises, organisations and associations in order to implement the EWSETA Sector Skills Plan. These parties are required to submit applications for discretionary grant in the prescribed form within the agreed upon cut-off period. These expenses and the related payable are recognised when the application has been approved, training has taken place and conditions for payment have been met.
- Administration or project management costs relating to discretionary grant projects. EWSETA classifies these costs as project administration expenses and presents them accordingly in the mandatory grants and project expenses note. These expenses and the related payable are recognised when they are incurred.

Discretionary grant expenditure is measured at the amounts that have been incurred per the contract signed between EWSETA and the applicable counterparty.

Administration expenditure

The Skills Development Levies Act stipulates that a maximum of 10% of the SETA levy income may be used for the SETA's operational administration expenses. An additional maximum of 0,5% of the SETA levy income is contributed by the SETA to the QCTO to fund the QCTO's activities. Where EWSETA anticipates that it may be unable to limit administration expenses to the threshold set out above, an application in the prescribed form is made to the executive authority to exceed this threshold.

Administration expenditure is recognised when the expenditure is incurred. The expenditure is measured at the amounts that have been incurred per the contract signed between EWSETA and the applicable counterparty.

1.6 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the EWSETA has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met, a liability is recognised.

1.7 BUDGET INFORMATION

EWSETA prepares its budget in accordance with the budgetary limitations prescribed by legislation. Where these limitations cannot be adhered to, approval is sought in advance from the executive authority in the prescribed form.

The budget was prepared on the cash basis modified for certain accruals and presented by economic classification. Non-cash items (depreciation and amortisation, and losses on derecognition of assets) are excluded from the budget. The budget covers the fiscal period from 2020/04/01 to 2021/03/31 and includes only EWSETA and no other entities. Explanations are provided for all material budget variances, being variances above 10% and R300 000.00

1.8 RELATED PARTIES

Related party transactions are defined as the transfer of resources, services or obligations, regardless of whether a price is charged. EWSETA discloses transactions and balances with all entities also under the control of its controlling entity, DHET. EWSETA further discloses transactions and balances with all entities that have members on the EWSETA Accounting Authority.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with governance. EWSETA discloses the amount of remuneration per person for the following classes of management:

- Executive managers
- Members of the Accounting Authority and its committees.

1.9 EVENTS AFTER REPORTING DATE

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

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

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

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.10 RESERVES

Net assets are sub-classified in the statement of financial position between the following funds and reserves:

- Administration reserve
- Mandatory grant reserve

- Discretionary grant reserve

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).

Interest and penalties received from SARS and interest received on investments are utilised for discretionary grants and projects. Other income received is utilised in accordance with the original source of the income.

The minimum amount retained in the administration reserve equates to the net book value of non-current assets.

Surplus funds in the mandatory grant reserve are transferred to the discretionary grant reserve at the end of the financial year. An amount is retained in the mandatory grant reserve, after consideration is given to new companies. Mandatory grant reserve is the mandatory grant payable to all new employers who in terms of the regulation still have six months after joining to submit their workplace skills plan.

1.11 FINANCIAL INSTRUMENTS

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A financial asset is:

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

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Initial recognition

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

Financial assets

All financial assets of the entity are categorised as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise balances held at banks and short term investments and are at amortised cost, which, due to their short-term nature, closely approximates their fair value.

Financial assets at amortised cost

EWSETA classifies receivables from exchange and non-exchange transactions as financial assets at amortised cost and measures these using the effective interest method. These financial assets are not quoted in an active market and have fixed or determinable payments as defined in GRAP.

Impairment of financial assets

Financial assets are assessed for impairment at each year-end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of

the financial asset, the estimated future cash flow of the investment has been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss recognised during the financial period. The financial assets' carrying amount is reduced through the use of an allowance account/ provision for doubtful debt account. When a receivable is uncollectable, it is written off against the allowance account/ provision for doubtful debt. Subsequent recoveries of amounts previously written off are recognised in surplus or deficit for the year.

In assessing whether the entity's financial asset or group of financial assets is impaired at end of reporting period, EWSETA consider the following among others:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

- it is probable that the borrower will enter sequestration or other financial reorganisation;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - i. adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments); or
 - ii. national or local economic conditions that correlate with defaults on the assets in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, or adverse changes in market conditions that affect the borrowers in the group); and
- Other circumstances and considerations which in management's view will have a negative impact on the recoverability of the financial asset or group of financial assets (for example the passing of prescription period as determined in the Prescription Act).

Financial liabilities

All financial liabilities of the entity are classified as financial liabilities at amortised cost. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

Effective interest method

The effective Interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

1.12 LEASES

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

Operating leases - lessee

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

1.13 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by employees.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are

due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

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

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an

asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

1.14 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service

potential will be required to settle the obligation; and

- a reliable estimate can be made of the obligation.

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

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

None of the entity's provisions are expected to be partially or fully reimbursed by another entity.

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

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

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

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

Contingencies

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

1.15 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when

those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Recognition criteria

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

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

1.16 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Levy Income

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 Energy and Water Sector Education and Training Authority (EWSETA) pay a Skills Development Levy (SDL) of

1% of the total payroll cost to the South African Revenue Services (SARS). Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the SDL Act (1999) as amended, effective 1 August 2005.

Eighty percent (80%) of skills development levies are paid over to the EWSETA (net of the 20% contribution to the National Skills Fund)

The skills development levy received is allocated as follows:

- 10.5% Administration expenses
- 49.5% Discretionary grant expenses
- 20% Mandatory grant expenses

Skills Development Levy (SDL) transfers are recognized when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education & Training (DHET) either makes an allocation or payment, whichever occurs first, to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999). The SDL transfer is measured at the fair value of the consideration receivable or received.

A receivable/payable is recognised for levies receivable as well as estimated SARS adjustments. An estimate, due to retrospective adjustments by SARS, is calculated by comparing the amounts paid by the Employers to SARS and the amounts received

from DHET. Changes to prior year estimates are accounted for in revenue in the current period. Levies received from organisations whose payroll is less than R500,000 per annum are not recognised as income, as in terms of the Skills Development Levies Act, these employers should not contribute, therefore amounts contributed by these employers are refundable.

The EWSETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers being in excess of the amount the EWSETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant over payment, at the fair value of the consideration receivable or received.

Revenue is adjusted for inter SETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as InterSETA transfers. The amount of the interest adjustment is calculated according to the Standard Operating Procedure issued by DHET.

When a new employer is transferred to the EWSETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity. Government levies income is income received or receivable from the Department of Water and Sanitation.

Government grants income

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, the amount of the revenue can be measured reliably, and to the extent that there has been compliance with any restrictions and conditions associated with the grant.
- The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow.
- A liability is recognised for the portion of government grants representing restrictions or conditions that the entity has not fulfilled. When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Interest and Penalties

Interest and penalties on the skills development levies are charged to the employers for late submission of their EMP201. This interest and penalties are recognised by EWSETA when they accrue/ paid to the entity as per the allocation provided by DHET.

1.17 INVESTMENT INCOME

Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 COMPARATIVE FIGURES

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

1.19 FRUITLESS AND WASTEFUL EXPENDITURE

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) The PFMA; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act;

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

- Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.
- Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register.

No further action is required with the exception of updating the note to the financial statements.

- Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.
- Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.21 SEGMENT INFORMATION

Segments are identified by the way in which information is reported to management, both for purpose of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by EWSETA. Segment information is presented based on service segments. Service segments relate to a distinguishable component of EWSETA which provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. EWSETA's segments are administration, mandatory and discretionary activities. Discretionary activities comprise those in the ordinary course of business and those relating to special projects.

1.22 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. A commitment is an agreement or a pledge to assume a financial obligation at a future date. The EWSETA has two types of commitments:

1. Those for the receipt of goods or services from suppliers and
2. Lease commitments to render or receive a service to or from a customer.

A commitment arises out of a contractual agreement between the entity and another party which entitles the entity or the third party to enforce

the delivery of the agreed upon goods or services at an agreed amount. Contractual commitments are not recognised but are disclosed in the notes to the financial statements.

The entity measures and discloses the amount of contractual commitments at the stated contract amount.

The entity enters into contractual agreements where the amount of the obligation will be determined at a future date. The entity measures such contractual commitments using an estimate based on available and reliable information at reporting date.

Where there are changes in the estimate determined by management at a future date, the change is accounted for in accordance with GRAP 3 Accounting policies, Accounting estimates and Errors.

1.23 GOING CONCERN ASSUMPTION

As at 31 March 2021, EWSETA has conducted a going concern assessment and concluded the following:

- The entity is in a net asset position at year-end and this is expected to continue for the foreseeable future.
- The entity has sufficient cash resources to honour all commitments and payables that exist as at the reporting date.
- The entity forecasts that levy income will be sufficient to cover expenses for the foreseeable future.

- On 22 July 2019 the Minister of the Department of Higher Education and Training re-established the SETAs within a new SETA Landscape from 1 April 2020 to 31 March 2030.

The annual financial statements have thus been prepared based on the expectation that the entity will continue to operate as a going concern for the foreseeable future and there are no significant circumstances that cast doubt on the going concern assumption.

1.24 PREPAYMENTS

Prepayments are payments that the entity has made at the reporting date for economic benefits or service potential to be received in future periods. Prepayments are made in accordance with contracts between the entity and third parties.

The entity recognises as an asset the extent to which payments made exceed the value of economic benefits or service potential received. The entity measures prepayments at the fair value of the consideration paid, to the extent that it exceeds the value of goods or services received. As the entity receives the related goods or services, it shall reduce the carrying amount of prepayments made by the fair value of those goods or services received. Any related asset or expense will be recognised in accordance with the applicable GRAP standard.

1.25 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the end of authorisation of these financial statements, the following GRAP Standards, Guidelines and Directives are issued but not yet effective. These standards, guidelines and Directives have not yet been implemented by EWSETA. An estimation of their impact on EWSETA is outlined below.

GRAP 25 Employee Benefits

This standard prescribes the accounting treatment for employee benefits. The changes prescribed from the currently applicable standards relate mainly to the accounting requirements of defined benefit plans. No effective date has been set for this Standard yet, but the Standard will not have any impact on the financial statements of EWSETA as EWSETA does not have any defined benefit plans.

GRAP 104 Financial Instruments

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

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

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

No effective date has been prescribed for implementation of the updates to the Standard.

Guideline on Accounting for Landfill Sites

The objective of the Guideline is to provide guidance to entities that manage and operate landfill sites and is thus not applicable to EWSETA.

Guideline on The Application of Materiality to Financial Statements

The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. Since EWSETA has historically applied the principles in the Guideline, it is not expected to have a material impact on the financial statements of EWSETA.

Directive 14: Application of Standards of GRAP by Public Entities That Apply IFRS Standards

This Directive applies to entities transitioning from the IFRS reporting framework to GRAP. Since EWSETA has always applied GRAP, the Directive will not impact the financial statements of EWSETA.

1.26 NEWLY EFFECTIVE STANDARDS

GRAP 18 Segment Reporting

GRAP 18 Segment Reporting also became effective during the current period, however, EWSETA adopted the Standard early and therefore it has no impact on the financial statements for the current period. The Segment Reporting accounting policy is included in the summary of significant accounting policies.

IGRAP 20 on Adjustments to Revenue (and related amendments to IGRAP 1)

IGRAP 20 on Adjustments to Revenue (and related amendments to IGRAP 1) became effective during the current period. EWSETA's SDL is levied and collected by SARS in accordance with the Income TAX Act.

SARS has review process to assess if the levy charged was correctly and completely charged/declared in terms of the prescribed taxation and levy rates. This may result in SARS itself identifying that the levies collected needs adjustment. Levy payers may also, through their own processes, identify the need for such levy adjustments. Through a declaration, appeal or objection process undertaken in terms of legislation or similar means, this may result in adjustments being passed to levies already collected. Such adjustments may be made up to seven years after the levy is charged and/or collected. SARS passes all such adjustments

to levies through DHET to the relevant SETA. SARS nets off such levy adjustments against current levy receipts. EWSETA therefore receives its levies net of all levy adjustments.

Adjustments to revenue already recognised, arise from the completion of a SARS internal review process, and/or the outcome of an external appeal or objection process undertaken by levy payers. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises net revenue as and when it becomes receivable. The SETA has no access to the appeal or review process conducted by SARS, and hence could not reasonably be expected to have access to reliable information at the initial recognition of the levy. The adjustments to revenue already recognised in prior years, following the outcome of a review, appeal or objection process, are therefore accounted for as a change in an accounting estimate, and not as a correction of an error.

Revisions to accounting estimates are recognised in the period in which the estimate is revised in future affected periods. Such revisions of accounting estimates in terms of levy income are disclosed in the analysis of levy income in the notes to the financial statements.

Other Standards

The following Standards have become effective in the current reporting period and will not have any impact on the financial statements of EWSETA as they are not relevant to EWSETA operations:

- GRAP 34 on Separate Financial Statements
- GRAP 35 on Consolidated Financial Statements
- GRAP 36 on Investments in Associates and Joint Ventures
- GRAP 37 on Joint Arrangements
- GRAP 38 on Disclosure of Interests in Other Entities
- GRAP 110 on Living and Non-living Resources

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 R'000	2020 R'000
2. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Trade debtors	2 780	37 835
Deposits	429	429
Interest accrued	947	1 197
Staff debtors	114	101
	4 270	39 562

3. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Interseta debtors	2 072	2 072
Discretionary grant receivable	7 294	79 531
	9 366	81 603

The entity also has a fully impaired Mandatory Grants Receivable of R6,300,010.44 (PY:R6,299,919.47). This represents Mandatory grant levy reversals due to EWSETA, that exceeds the Mandatory grants payables due to them. The receivable should be recovered against future payments of Mandatory grants. However, since these employers rarely qualify for the payment of Mandatory grants, the likelihood of recovery is remote. Therefore, the receivable is fully impaired.

During the current year, the entity impaired a receivable of R10,690,400 relating to a historical prepayment for services that was not received. The amount was reclassified to receivables in the prior period, as management had referred the matter for recovery via the courts, subsequent to a forensic investigation. The matter is undergoing a legal process.

4. PREPAYMENTS

Discretionary Grant prepayments	415	5 852
Administration prepayments	305	223
	720	6 075

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	-	1
Bank balances	282 901	278 264
Short-term investments/instruments	86 508	86 347
	369 409	364 612

6. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000
Buildings - Work in progress	58 395	(36 465)	21 930	58 395	-	58 395
Furniture and fixtures	1 135	(435)	700	1 135	(344)	791
Motor vehicles	667	(371)	296	667	(276)	391
Office equipment	146	(77)	69	146	(67)	79
Computer Equipment	3 909	(2 109)	1 800	3 449	(1 541)	1 908
Total	64 252	(39 457)	24 795	63 792	(2 228)	61 564

Reconciliation of property, plant and equipment - 2021

	Opening balance R'000	Additions R'000	Write-off R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Buildings - Work in progress	58 395	-	-	-	(36 465)	21 930
Furniture and fixtures	791	-	-	(91)	-	700
Motor vehicles	391	-	-	(95)	-	296
Office equipment	79	-	-	(10)	-	69
Computer equipment	1 908	520	(42)	(586)	-	1 800
	61 564	520	(42)	(782)	(36 465)	24 795

Reconciliation of property, plant and equipment - 2020

	Opening balance R'000	Additions R'000	Write-off R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Buildings - Work in progress	58 381	14	-	-	-	58 395
Furniture and fixtures	916	17	(65)	(77)	-	791
Motor vehicles	103	384	-	(96)	-	391
Office equipment	111	-	(20)	(12)	-	79
Computer equipment	1 961	486	(18)	(519)	(2)	1 908
	61 472	901	(103)	(704)	(2)	61 564

Pledged as security

No assets have been pledged as security or collateral for any liability.

Details of property

EWSETA purchased the Cape House building at 15 McClaren Street, Marshalltown, Johannesburg for R21,660,000 and capitalised R36,735,000 in respect of renovations to the building. Therefore, the current carrying amount of the building is R58,395,000. The building has heritage certification, but has been classified as property, plant and equipment as it was intended for use as an administrative asset. The building is included in the Administration segment for segment reporting purposes. EWSETA has experienced several contractual delays during the renovation, but the building is currently substantially complete. EWSETA has been unable to

take occupation of the building as it is awaiting the final municipal approval for occupation. As such, depreciation on the building has not commenced.

During the financial year, EWSETA considered the costs, benefits and relative risks of occupying the building as its office space. After extensive consideration of alternatives, EWSETA decided to dispose of the building. Per section 54 of the PFMA, executive authority approval is required for disposal of the building. This approval has not yet been obtained and will be required before the transaction can be concluded. As at the reporting date, the exact disposal date and timeline is therefore unknown and not directly within the control of EWSETA.

The decision to sell the building prompted EWSETA to consider whether the building is impaired. EWSETA contracted the services of an independent valuer, who determined that the building has a fair

value of R24,000,000. The valuer determined the fair value using the income approach. The valuation was performed with reference to macroeconomic factors in the property market and micro factors such as the location, renovations and condition of the property. Comparable commercial property sales and rentals were also considered in arriving at the valuation estimate.

After accounting for anticipated costs to sell (anticipated agent's commission), the building has been impaired by R36,464,817 to a recoverable amount of R21,930,000, which represents the estimated fair value less costs to sell.

Other information

Repairs and maintenance of R16 000.00 were incurred on PPE for motor vehicles in the current financial year.

7. INTANGIBLE ASSETS

	2021			2020		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	5 210	(4 731)	479	5 210	(4 639)	571

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
	R'000	R'000	R'000
Computer software	571	(92)	479

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software	519	173	(121)	571

	2021	2020
	R'000	R'000

8. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	3 663	3 787
Payroll accruals	439	357
Accrued expenses	1 156	1 553
	5 258	5 697

9. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Inter SETA Payables	47	47
Skills development grants payable-mandatory	32 326	30 586
Skills development grants payable-discretionary	67 324	37 804
	99 697	68 437

10. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts

Department of Water and Sanitation	19 128	19 869
Movement during the year		
Balance at the beginning of the year	19 869	128 383
Additions during the year	2 471	-
Income recognition during the year	(3 212)	(3 514)
Utilised for the payments of project expenses	-	(105 000)
	19 128	19 869

EWSETA received funds from DWS that may only be utilised for the implementation of a specific training programme. The funds received in advance were recognised as a liability and the revenue is recognised when corresponding expenditure has been incurred

11. PROVISIONS

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	198	-	(198)	-
Employer refund	837	7 043	(146)	7 734
Performance bonus	2 151	747	(765)	2 133
Discretionary grant	175 175	17 313	(65 051)	127 437
Leave provisions	1 086	872	-	1 958
	179 447	25 975	(66 160)	139 262

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	-	198	-	-	198
Employer refund	913	23	-	(99)	837
Performance bonus	2 799	550	(1 198)	-	2 151
Discretionary grant	317 041	68 085	(209 951)	-	175 175
Leave provisions	2 271	43	(173)	(1 055)	1 086
	323 024	68 899	(211 322)	(1 154)	179 447

The provision for employer refund relates to levies contributed by employers whose payroll is less than R500,000 (below threshold) per year. Provisions are raised for all below threshold employers, but are only paid out to employers who submit a request in the prescribed form within 5 years. The entity does not know which employers will approach it for a refund. As per National Treasury Circular no 9/2013, the SETA can transfer to Discretionary Reserves any amount that is due to the below threshold employers which is older than five years.

The provision for performance bonus relates to performance bonuses still to be approved in accordance with the entity's remuneration policy. As at the reporting date, performance ratings had not yet been finalised and as such an estimate was made of the performance bonus payable based on individual's provisional performance ratings available at year end.

The provision for discretionary grants relate to bursary programmes and discretionary grant claims where supporting evidence has not been received yet at year end.

	2021 R'000	2020 R'000
12. NON-EXCHANGE REVENUE		
Administration		
Levies received from SARS	20 107	37 227
Levy adjustment	2 613	(66)
Levies from DWS	1 028	1 190
InterSETA transfer-out	-	(3)
Levies accrued	3 495	3 351
	27 243	41 699
Mandatory grants		
Levies received from SARS	38 322	70 908
Levy adjustment	4 083	(137)
Levies accrued	6 637	6 381
	49 042	77 152
Discretionary Grants		
Levies received from SARS	95 220	176 098
Levy adjustment	20 412	1 136
Levies from DWS	2 057	2 381
InterSETA transfer-out	-	(12)
Levies accrued	16 703	15 920
	134 392	195 523
Special project income		
Special projects-War on Leaks	3 212	3 514
Special project-Central Energy Fund	1 939	-
	215 828	317 888

Levy adjustments included in the levy income above represents increases/reversals of levy income recognised in prior years. SARS determines levy income through the employee tax process. Adjustments to the levy income may arise from SARS own internal review processes or objections/appeal processes. SARS increases/reverses the levies sent to the SETA, and pays the SETA current year levies net of all prior year reversals and/or additions. Such levy reversals or adjustments are treated as changes in accounting estimates and adjusted propectively. The effect of the change in estimate on the current year is shown separately within revenue as Levy adjustments. There is no effect of future periods. (Prior year presentation has been changed in line with current year presentation)

	2021 R'000	2020 R'000
13. EXCHANGE REVENUE		
Other income	106	143
14. INVESTMENT REVENUE		
Interest revenue		
Bank	9 363	20 442
Interest revenue is earned from short-term investments and the positive bank balances on the entity's current accounts. Interest was earned on both the short term investments and positive bank balances at rate of between 3% and 6% throughout the year.		
15. MANDATORY GRANT AND PROJECT EXPENSES		
Mandatory grants		
Mandatory grant expenses	46 854	67 258
Discretionary grants		
Discretionary grant expenses	151 457	181 159
Project Administration expenses	15 570	18 276
Qualification development	355	1 058
External moderation	189	585
Sector skills planning	-	687
Career guidance	540	1 356
Research chairs	1 271	-
	169 382	203 121
Special projects		
Special projects - War on Leaks	3 212	3 514
Special projects - Central Energy Fund	394	-
	219 842	273 893

	2021 R'000	2020 R'000
16. GENERAL EXPENSES		
Accommodation	22	578
Advertising	340	306
Auditors remuneration	2 954	3 058
Bad debts expenses	-	6 310
Bank charges	88	93
Cleaning and facilities management	327	284
Computer expenses	1 090	1 413
Consulting and professional fees	6 139	9 152
Document storage	347	568
Entertainment	-	31
Forensic Audit Fees	531	2 697
Governance committee fees	1 561	1 514
Insurance	500	117
Internal audit fees	1 456	1 749
Office and printers rental	3 839	3 297
Legal fees	339	942
COVID 19 Expenses	694	-
Marketing and communication	907	1 157
Moving costs	(2)	467
Postage and courier	3	240
Printing and stationery	843	1 410
Promotions and sponsorships	174	1 071
QCTO expenses	2 130	2 093
Rates	218	546
Security	928	830
Small Assets	29	560
Staff recruitment costs	532	267
Staff welfare	105	326
Licenses and Subscriptions	798	470
Telephone and fax	611	738

	2021 R'000	2020 R'000
Training costs	998	664
Travel	194	2 060
Water and Electricity	285	594
Workshop expenses	776	2 321
	29 756	47 923

17. EMPLOYEE RELATED COSTS

Salary and wages	20 081	19 113
Bonus	765	1 249
Medical aid - company contributions	269	283
Unemployment insurance fund	120	126
Skills development levy	290	392
Leave expense	1 328	(966)
Provident fund	2 038	1 771
Other insurances	741	606
	25 632	22 574

18. ACCUMULATED SURPLUS**Allocation of net loss to reserves - 2021**

Revenue	Administration Reserve	Mandatory Grant Reserve	Discretionary Grants	Special Projects	Total per Discretionary	Total Statement of Financial Performance
Skills development levy: income	26 215	49 042	124 514	-	124 514	199 771
Government levies	1 028	-	2 057	-	2 057	3 085
Penalties and interest	-	-	7 820	-	7 820	7 820
Investment income	-	-	9 363	-	9 363	9 363
Special project income	-	-	-	5 151	5 151	5 151
Other income	106	-	-	-	-	106
Total revenue	27 349	49 042	143 754	5 151	148 905	225 296
Administration expenses	(29 756)	-	-	-	-	(29 756)
Employee costs	(25 632)	-	-	-	-	(25 632)
Depreciation and amortisation	(876)	-	-	-	-	(876)
Loss on disposal of assets	(42)	-	-	-	-	(42)
Employer grants and project expenses	-	(46 854)	(169 382)	(3 606)	(172 988)	(219 842)
Impairment loss	(83 964)	-	-	-	-	(83 964)
Repairs and maintenance	(21)	-	-	-	-	(21)
	(112 942)	2 188	(25 628)	1 545	(24 083)	(134 837)

Allocation of net loss to reserves - 2020

Skills development levy: income	40 515	77 152	191 198	-	191 198	308 865
Government levies	1 190	-	2 381	-	2 381	3 571
Penalties and interest	-	-	1 938	-	1 938	1 938
Investment income	-	-	20 442	-	20 442	20 442
Special project income	-	-	-	3 514	3 514	3 514
Other income	143	-	-	-	-	143
Total revenue	41 848	77 152	215 959	3 514	219 473	338 473
Administration expenses	(47 923)	-	-	-	-	(47 923)
Employee costs	(22 574)	-	-	-	-	(22 574)
Depreciation and amortisation	(822)	-	-	-	-	(822)
Loss on disposal of assets	(107)	-	-	-	-	(107)
Employer grants and project expenses	-	(67 259)	(203 120)	(3 514)	(206 634)	(273 893)
Repairs and maintenance	(114)	-	-	-	-	(114)
	(29 692)	9 893	12 839	-	12 839	(6 960)

	2021 R'000	2020 R'000
19. CASH (USED IN) GENERATED FROM OPERATIONS		
Deficit	(134 836)	(6 960)
Adjustments for:		
Depreciation and amortisation	876	822
Loss on derecognition of assets	42	107
Impairment deficit	83 964	-
Bad debts written off	-	6 310
Movements in provisions	(40 186)	(143 669)
Changes in working capital:		
Receivables from exchange transactions	(25 292)	1 318
Other receivables from non-exchange transactions	24 730	184 500
Prepayments	5 355	10 750
Payables from exchange transactions	(439)	(1 565)
Taxes and transfers payable (non-exchange)	31 260	(86 128)
Unspent conditional grants and receipts	(741)	(108 514)
	5 317	(143 029)

20. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments 2021

	At fair value	At amortised cost	Total
Financial assets			
Receivables from exchange transactions	-	4 270	4 270
Receivables from non-exchange transactions	-	9 366	9 366
Cash and cash equivalents	369 409	-	369 409
	369 409	13 636	383 045

	At amortised cost	Total
Financial liabilities		
Payables from exchange transactions	5 258	5 258
Payables from non-exchange transactions	99 697	99 697
	104 955	104 955

	At fair value	At amortised cost	Total
2020			
Financial assets			
Trade and other receivables from exchange transactions	-	39 562	39 562
Other receivables from non-exchange transactions	-	81 603	81 603
Cash and cash equivalents	364 612	-	364 612
	364 612	121 165	485 777

	At amortised cost	Total
Financial liabilities		
Trade and other payables from exchange transactions	5 543	5 543
Taxes and transfers payable (non-exchange)	68 284	68 284
	73 827	73 827

Analysis of financial assets that are past due as at the end of the reporting period but not impaired

	30-60 days	60-120 days	More than 120 days	Total
2021				
Receivables from exchange transactions	1 065	1 516	1 689	4 270
Receivables from non-exchange transactions	-	-	9 366	9 366
	1 065	1 516	11 055	13 636

2020				
Receivables from exchange transactions	8 012	-	31 550	39 562
Receivables from non-exchange transactions	-	-	81 603	81 603
	8 012	-	113 153	121 165

Analysis of financial assets that are individually determined to be impaired as at the end of the reporting period

2021	More than 120 days	Total
Prepayments	9	9
Mandatory debtors	6 300	6 300
Receivables from exchange transactions	36 808	36 808
Receivables from non-exchange transactions	10 690	10 690
	53 807	53 807
2020		
Prepayments	9	9
Mandatory debtors	6 300	6 300
	6 309	6 309

21. COMMITMENTS

Authorised operational expenditure

	Opening balance 2020/21 Restated	Adjustments 2020/21	Additional commitments 2020/21	Utilised 2020/21	Closing balance 2020/21
Discretionary Grants					
AET Programme	125	-	500	(444)	181
Apprenticeship Programme	1 068 892	(10 952)	34 265	(96 852)	995 353
Bursaries	915	(720)	-	-	195
Internship Programme	11 346	(2 021)	9 198	(5 986)	12 537
Learnership Programme	35 063	(2 364)	3 520	(18 319)	17 900
Trade Union	-	-	5 000	(1 000)	4 000
Candidacy	-	-	225	-	225
Skills Programme	9 202	(1 646)	13 180	(14 666)	6 070
Research	554	-	-	-	554
	1 126 097	(17 703)	65 888	(137 267)	1 037 015

	Opening balance 2020/21 Restated	Adjustments 2020/21	Additional commitments 2020/21	Utilised 2020/21	Closing balance 2020/21
Administration					
HR Support and Training	364	1 571	1 148	(653)	2 430
IT and Facilities Management	4 572	(1 701)	11 730	(4 874)	9 727
Quality Assurance Support	-	-	980	-	980
Marketing and Public Relation	-	281	382	(92)	571
Internal Audit and Risk Management	458	-	4 986	(1 495)	3 949
Legal Services	-	-	999	(162)	837
SCM Support	-	1	750	(217)	534
Secretarial and Governance Support	-	-	1 354	(916)	438
Finance Consulting	560	-	-	(519)	41
Project Management	-	-	194	-	194
Research	-	-	2 629	(604)	2 025
Research Chairs	5 460	-	-	(623)	4 837
	11 414	152	25 152	(10 155)	26 563

The above commitments relate to discretionary grants and administration, with an exception of an apprenticeship special project with a closing balance of R873,254,250 included in the special projects total commitment. The commitment relates to the War on Leaks programme and is fully funded by DWS. DWS is a related party.

* These are commitments that have been approved by the Accounting Authority in 2020/21 financial year. The award letters were accepted by the implementing agents however the contracts (Service Level Agreements) were not yet finalised at year end.

22. CONTINGENCIES

Contingent liabilities

Mandatory Grants Regulation

In October 2019, BUSA won the court case against DHET, where the department's decision to decrease the mandatory grant levies from 50% to 20% in terms of section 4(4) of the SETA grant regulations was set aside.

The court, however did not decide on the mandatory levy or grant percentage to be applied from the court date onwards. The effect of the ruling is that the Minister would have to decide on the percentage

for mandatory grants in consultation with the sector. To date, the Minister has not yet made the decision with regard to the mandatory grant percentage.

DHET continued to show the mandatory levies portion as 20% in 2020/21 year in the levy download information provided to the SETA. The SETA also continued to pay and accrue mandatory grants at 20% in the 2020/21 financial year in the absence of a revised percentage which was aligned to the approved annual performance plan. The mandatory grant expenditure - Note 15 and the mandatory grant liability - Note 9 were calculated using a grant percentage of 20.

The SETA therefore discloses a contingent liability in regard to the amount of the mandatory grants payable to qualifying levy payers from the date of the court decision to the year end. This is disclosed as a liability as the intention of the litigant, BUSA, was to increase the mandatory grant percentage from 20. The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at reporting date. The department is currently in discussions with BUSA in regard to the mandatory grant percentage.

First time employer registrations

The Skills Development legislation allows an employer registering for the first time, 6 months to submit an application for a mandatory grant.

23. RELATED PARTIES

Relationships	
Controlling entity	DHET
Entities under common control	By virtue of the fact that EWSETA is a National Public Entity controlled by the DHET, it is considered related to the SETAs, the QCTO and NSF, TVET Colleges, Universities, ASSAF, CSIR, HSRC, NACI, NRF, SACNAS P, SANSA and TIA. The transactions are with normal operating relationships between entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under common control of the DHET, these amounts are disclosed below.
Entities with a representative serving on EWSETA's Accounting Authority	WISA (L.Goldman); NUM (N.Radebe); NUMSA (R.Ntlokotse); WITS (N.Malumbazo); Bloem Water (L.Moorosi); SAMWU (D.Magagula);
Members of the Accounting Authority	L.Moorosi (Chairperson); L.Goldman; N.Malumbazo; D.Magagula; R.Ntlokotse; K.Pholoba; N.Radebe; T.Wedderspoon; N. Nobatata; E.Coetzer; S.Bokaba; N.Ngidi; M.Malunga; H. Mhlongo; V. Singh; M.Mokgobinyane
Members of key management	M.Mookapele (CEO); R.Vilakazi (CFO); C.Moodley (CSE); T.Mokotedi (APRME)

At the reporting date, it is estimated that additional mandatory grant expenditure of R39,973.50 (2019/2020: R226,968) will be payable to such employers. This amount is contingent based on the uncertainty of the number of submissions that will be received and approved.

Surplus funds

All uncommitted surplus funds as at year-end may be forfeited to the National Skills Fund should an application for retention of surplus funds be denied. An application to National Treasury and DHET for the retention of uncommitted surplus funds will be made.

Contingent assets

- EWSETA has issued a summons against the service provider for building refurbishment done on the Cape House Property. The supplier failed to deliver on services as per the service level agreement. An amount of R15,955,415 which was paid in advance is claimable.

	2021 R'000	2020 R'000
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
DHET	(7)	68
FOODBEVSETA	-	5
LGSETA	(23)	23
MERSETA	(5)	1 796
PSETA	-	55
MQA	(5)	(5)
SERVICES SETA	(1)	(1)
W&R SETA	(15)	(15)
MICT SETA	-	36
CETA	72	72
Amounts included in Trade receivable (Trade payable) regarding members of the Accounting Authority		
F. Baleni	-	(39)
V. Bikitsha	-	(18)
L. Goldman	(39)	(48)
N. Radebe	-	(40)
S. Makume	-	(26)
S. Manyama	-	(54)
Mandatory grants, discretionary grants and projects		
Entities with a representative serving on EWSETA's Accounting Authority		
DWS	2 411	67 595
ESKOM	-	(14 887)
SAMWU	-	(78)
WISA	(28)	(69)

EWSETA has, in the normal course of operations, entered into certain transactions with entities which had an appointed representative serving on the EWSETA Accounting Authority.

The transactions above occurred under terms that were no more or less favourable than those available

in similar arm's length dealings. The transactions disclosed exclude the transactions that relate to statutory requirements.

Discretionary grants and projects comprise the Pivotal Grant and project funding disbursed in accordance with the priorities as defined in the

Sector Skills Plan. No guarantees have been given or received. No expense has been recognised in the current or prior year for bad or doubtful debts in respect of the amounts owed by related parties.

	2021 R'000	2020 R'000
TVET AND UNIVERSITIES		
BOLAND COLLEGE	-	(57)
ENHLANZENI TVET COLLEGE	-	(973)
FALSEBAY COLLEGE	-	(14)
SEKHUKHUNE TVET COLLEGE	(1 753)	(1 753)
UMFOLOZI TVET COLLEGE	-	(141)
UNIVERSITY OF JOHANNESBURG	(126)	(126)
UNIVERSITY OF STELLENBOSCH	-	(45)
WEST COAST COLLEGE	(210)	(210)
CENTRAL UNIVERSITY OF TECHNOLOGY	(69)	-
TECHNOLOGY INNOVATION AGENCY	(192)	-
UNIVERSITY OF WITWATERSRAND	(62)	-
GERT SIBANDE TVET COLLEGE	(541)	-
Related party transactions		
Employers transferred to/(from) SETAs		
MERSETA	-	(4)
CETA	-	(15)
SERVICES SETA	-	(24)
LGSETA	-	3

	2021 R'000	2020 R'000
Fees and reimbursements-Members of the Accounting Authority		
F. Baleni (Outgoing Chairperson)	-	(133)
L. Moorosi (Chairperson)	-	-
M. Malunga	(43)	-
N. Malumbazo	(203)	-
D. Magagula	(217)	-
L. Manamela	-	(3)
T. Montoedi	-	(118)
M. Kweni	-	(2)
V. Bikitsha	-	(74)
R. Ntlokotse	(117)	-
L. Goldman	(212)	(154)
N. Radebe	-	(190)
S. Makume	-	(120)
S. Manyama	-	(157)
S. Musundwa	(74)	(54)
J. Modise	-	(55)
G. Mnguni	-	(65)
S. Gumede	-	(55)
C. Mokoena	-	(56)
S. Thomas	-	(159)
T. Tshitangano	-	(75)
N. Mufamadi	-	(80)
S. Bokaba	(138)	-
M. Strydom	(221)	-
L. Giba	(71)	-
F. Docrat	(71)	-
M. Mokgobinyane	(13)	-

	2021 R'000	2020 R'000
Project transactions (Trade payables/Trade receivables)		
Entities with representative serving on EWSETA's Accounting Authority		
BLOEM WATER	891	-
DOE	-	585
DWS	70 000	92 986
ESKOM	110 383	148 315
WISA	(261)	(535)
NUM	(505)	(300)
SAMWU	-	(1 799)
UMGENI WATER	3 322	-
IMATU	(203)	-
TVET and Universities		
ADVISOR PROGRESSIVE COLLEGE	(3 713)	-
CAPE PENINSULA UNIVERSITY OF TECHNOLOGY	(1 061)	(5 186)
CAPRICORN COLLEGE FOR FET	-	(119)
CENTRAL UNIVERSITY OF TECHNOLOGY	(845)	(1 727)
COLLEGE OF CAPE TOWN	(2 376)	(1 592)
CTC COLLEGE	(990)	(5 888)
TECHNICAL FURTHER TVET	(750)	-
ESAYIDI TVET COLLEGE	-	(308)
FALSEBAY COLLEGE	(3 029)	(39)
GERT SEIBANDE TVET COLLEGE	-	(380)
MALUTI TVET COLLEGE	(186)	(225)
MOTHEO COLLEGE	-	(120)
NELSON MANDELA METROPOLITAN UNIVERSITY	-	(74)
NORTHERN TECHNICAL FURTHER UNIVERSITY	-	(406)
TSHWANE UNIVERSITY OF TECHNOLOGY	(878)	-
LETABA TVET COLLEGE	3 465	-
FLAVIUS MAREKA TVET COLLEGE	-	(2)
SOUTHWEST GAUTENG COLLEGE	-	(135)

	2021 R'000	2020 R'000
TALETSO TVET COLLEGE	(4)	(8)
NKANGALA TVET COLLEGE	(376)	-
ORBIT TVET COLLEGE	(1 028)	-
UNIVERSITY OF CAPE TOWN	-	(125)
UNIVERSITY OF FREE STATE	(217)	(207)
UNIVERSITY OF JOHANNESBURG	-	(1 181)
UNIVERSITY OF LIMPOPO	(47)	-
UNIVERSITY OF SOUTH AFRICA	(33)	-
UNIVERSITY OF NORTH-WEST	(473)	(49)
UNIVERSITY OF PRETORIA	(196)	(1 112)
UNIVERSITY OF STELLENBOSCH	-	(2 289)
UNIVERSITY OF WESTERN CAPE	(414)	(614)
UNIVERSITY OF WITWATERSRAND	(502)	(207)
VAAL UNIVERSITY OF TECHNOLOGY	(325)	(1 101)
WEST COAST COLLEGE	(102)	(134)
WHITE RIVER TECHNICAL COLLEGE	-	(3 960)
23. OTHER TRANSACTIONS		
QCTO	(2 129)	(2 093)

24. KEY MANAGEMENT INFORMATION

EXECUTIVE

	Salary (R'000)	Other benefits (R'000)	Acting Allowances (R'000)	Total (R'000)
2021				
Chief Executive Officer	767	86	205	1 058
Chief Financial Officer	884	180	38	1 102
Chief Operating Officer (resigned 31/12/2020)	1 044	132	-	1 176
Corporate Services Executive	1 339	177	-	1 516
Acting Planning, Monitoring and Reporting Executive	-	-	322	322
	4 034	575	565	5 174
2020				
Acting Chief Executive Officer	-	-	352	352
Chief Financial Officer	1 290	197	-	1 487
Chief Operating Officer	1 164	395	-	1 559
Corporate Services Executive	1 113	363	-	1 476
Acting Chief Financial Officer	-	-	147	147
Acting Planning, Monitoring and Reporting Executive	-	-	322	322
	3 567	955	821	5 343

Other benefits include performance bonuses.

Several executive movements during the year impacted key management remuneration. The CFO position was vacant from 1 November 2020 to 28 February 2021. The COO resigned and left the organisation on 31 December 2020 and the position has remained vacant since. The CEO was acting as such from the beginning of the financial year until her permanent appointment on 1 November 2020.

Non-executive - Accounting Authority

	Meeting fee (R'000)	Travel Costs (R'000)	Total (R'000)
2021			
Accounting Authority chairperson	-	-	-
Members	868	2	870

2020			
Accounting Authority chairperson	131	2	133
Members	1 044	60	1 104
	1 175	62	1 237

Accounting Authority sub-committees

2021			
Audit and risk committee chairperson	220	1	221
Members	283	6	289
	503	7	510

2020			
Audit and risk committee chairperson	158	1	159
Members	151	4	155
	309	5	314

25. RISK MANAGEMENT

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The EWSETA has developed a comprehensive risk strategy in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the heading below:

Liquidity risk

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

	Carrying amount	31-90 days	91 days and more	Total
2021 (R'000)				
Payables from exchange transactions	(2 312)	(554)	(2 392)	(5 258)
Payables from non-exchange transactions	(18 356)	(4 092)	(77 249)	(99 697)
	(20 668)	(4 646)	(79 641)	(104 955)
2020 (R'000)				
Payables from exchange transactions	-	-	(5 543)	(5 543)
Payables from non-exchange transactions	-	-	(68 284)	(68 284)
	-	-	(73 827)	(73 827)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Verification costs are settled in cash. Financial assets exposed to credit risk at year end were as follows:

	Gross	Impairment	Total
2021 (R'000)			
Receivables from exchange transactions	42 459	(38 189)	4 270
Receivables from non-exchange transactions	20 056	-	9 366
Cash and cash equivalents	369 409	(10 690)	369 409
	431 924	(48 879)	383 045
2020 (R'000)			
Receivables from exchange transactions	40 943	(1 381)	39 562
Cash and cash equivalents	364 612	-	364 612
Receivables from non-exchange transactions	81 603	-	81 603
	487 158	(1 381)	485 777

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

26. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The SETA's landscape period has been re-established to 31 March 2030.

The loss of revenue due to the 4 month skills development levy (SDL) payment holiday has not impacted the going concern of the entity.

27. FRUITLESS AND WASTEFUL EXPENDITURE

	2021 R'000	2020 R'000
Opening balance as previously reported	329	316
Opening balance as restated	329	316
Add: Expenditure identified - current	23	13
Less: Amount written off - prior period	(310)	-
Closing balance	42	329
Details of incidents		
Traffic fines and penalties	1	-
Booking cancellations	-	2
Mobile data not utilised	-	11
Interest and recovery charges for late payment	15	-
VAT overpayment	8	-
	24	13

28. IRREGULAR EXPENDITURE

Opening balance as previously reported	379 252	210 549
Opening balance as restated	379 252	210 549
Add: Irregular Expenditure - current	11 068	29 694
Add: Irregular Expenditure - prior period	1 908	139 009
Closing balance	392 228	379 252

	2021 R'000	2020 R'000
Details of irregular expenditure - current year		
Non-compliance with SCM legislation	6 493	4 655
Excess over 7,5% Project admin budget	4 234	25 039
Non-compliance of Accounting Authority appointment	341	-
	11 068	29 694
Details of irregular expenditure - Prior year		
Non-compliance with SCM policy	1 908	139 009

29. BUDGET DIFFERENCES

During the 2020/21 financial year, the outbreak of COVID-19 prompted EWSETA to revise its budget. The difference between the approved and final budget reflects the budget updates in response to the outbreak of the pandemic. The updates to the budget was primarily driven by the following factors:

- The reduction in levy income due to the 4-month levy holiday afforded to employers.
- The anticipated reduction in levy income due to the economic impact that COVID-19 would have on the energy and water sectors.
- The expected impact of lockdown on the various skills delivery interventions funded by EWSETA, which would impact the rate at which expenditure is incurred.
- The additional operating costs that would be incurred due to the outbreak of the pandemic.
- The anticipated operating cost savings from going into lockdown and not incurring certain office and travel related expenses.

Material differences between budget and actual amounts

- a) The actual interest income received is lower than year to date budgeted due to lower bank balances and lower interest rates in the current year. For the first several months in the financial year, the SDL holiday reduced levy income resulting in lower bank balances.
- b) Special project income relates to the income recognised as the War on Leaks project is implemented. The income is not included in the budget as it is recognized as per the project implementation.
- c) Levy income received is lower than budget due to reduced hiring, retrenchments and lower salary increments within the Energy and Water sector. This was driven mainly by poor economic conditions resulting from COVID 19. Additionally, the SDL holiday granted to employers reduced revenue to below budget.

- d) Interest and penalties were not budgeted as it is anticipated that all employers would pay levies on time.
- e) Personnel costs is lower than budgeted due to vacant positions within the entity. The ongoing organisational redesign project undertaken by EWSETA has impacted the ability to recruit into vacant positions. f1) Depreciation and amortisation are non-cash items not included in the entity budget.
- f) Impairment loss is a non-cash item and was not included in the entity's budget. Refer to note on PPE for details of the impairment loss.
- g) Rental for the premises is higher than budgeted due to delays in completion of purchase office building.
- h) Administration expenses are lower than year to date budget due to cost savings on several line items as a result of lockdown restrictions.
- i) Mandatory grant expenditure is lower than budget as a result of the SDL holiday afforded to employers, mandatory grant expenditure is linked directly to SDL income.

- j) Total DG expenditure includes cost of projects approved in prior years, and expensed in the current year as projects are implemented. Due to the fact that the entity only budgeted within the expected current year income, expenditure for projects approved in the prior year exceeded budget.
- k) Special project expenses are not budgeted for as they are fully recoverable from DWS and CEF.
- l) Cost saving by the entity to minimise expenditure and preserve cash in response to COVID 19 and the SDL holiday that reduced revenue.

30. PRIOR PERIOD ERRORS

	Amount previously reported	Prior period error	Reclassification error	Restated amount
Statement of Financial Position				
Receivables from Exchange transactions	50 252	-	(10 690)	39 562
Receivables from Non-exchange transactions	70 913	-	10 690	81 603
Property, plant and equipment	61 576	(12)	-	61 564
Payables from exchange transactions	(5 543)	(154)	-	(5 697)
Payables from non-exchange transactions	(68 284)	(153)	-	(68 437)
Provisions	(179 292)	(155)	-	(179 447)
Administration reserve	62 147	(12)	-	62 135
Discretionary grant reserve	218 631	(462)	-	218 169
Statement of Financial				
Mandatory grant and project expenses	(273 585)	(308)	-	(273 893)
Administration expenses	(47 770)	(153)	-	(47 923)
Depreciation and amortisation	(827)	5	-	(822)
Deficit for the year	(6 504)	(456)	-	(6 960)

Administration expenses were understated in the prior year by R153,000.00 and this relates to invoices that were omitted from accruals in 2019/20. This error also understated payables from exchange in the Statement of Financial Position.

Provisions were understated in the prior year by R155,000.00 and this relates to bursary invoices that were omitted from accruals in 2019/20. This error also resulted in the understatement of project expenses.

Project expenses were understated in the prior year by R154,000 and this relates to invoices that were omitted from accruals in 2019/20. This error also understated payables from non- exchange in the Statement of Financial Position.

Property, plant and equipment was overstated by an amount of R12,000.00 in the prior year and this relates to an asset lost by an employee during 2018/19.

Depreciation and amortisation was overstated by an amount of R5,000.00 in the prior year and this relates to an asset lost by an employee during 2018/19.

The discretionary grant and administration reserves have been amended accordingly to reflect the changes above.

Reclassification

	Amount previously disclosed	Reclassification	Prior period error	Restated amount
Receivable from exchange transactions	50 252	(10 690)	-	39 562
Receivable from non-exchange transactions	70 913	10 690	-	81 603
	121 165	-	-	121 165

An amount of R10.6 million was erroneously classified as receivable from exchange transactions. The reclassification did not change the net position of the Statement of Financial Position but resulted in the reclassification between the accounts.

The following disclosure items were omitted from the prior period Financial Statements:

- Learnership Programme commitments of R1,286,000.
- Under risk management, R81,603,000 for credit risk relating to Receivables from non-exchange transactions.
- Under risk management, R68,284,000 for liquidity risk relating to Payables from non-exchange transactions.
- Related Party transactions of R2,093,000 with QCTO.

31. SEGMENT INFORMATION

Segment surplus or deficit, assets and liabilities

2021	Administration	Mandatory grants	Discretionary grants	Special projects	Total
Revenue					
Skills development Levy Income	26 215	49 042	124 514	-	199 771
Government levy	1 028	-	2 057	-	3 085
Penalties and interest	-	-	7 820	-	7 820
Investment income	-	-	9 363	-	9 363
Special project Income	-	-	-	5 151	5 151
Other Income	106	-	-	-	106
Total segment revenue	27 349	49 042	143 754	5 151	225 296
Entity's revenue					225 296
Expenditure					
Administration expense	29 756	-	-	-	29 756
Employee costs	25 632	-	-	-	25 632
Depreciation and amortisation	876	-	-	-	876
Impairment loss	83 964	-	-	-	83 964
Loss on derecognised assets	42	-	-	-	42
Mandatory grant and Project expenses	-	46 854	169 382	3 606	219 842
Repairs and maintenance	21	-	-	-	21
Total segment expenditure	140 291	46 854	169 382	3 606	360 133
Total segmental surplus/(deficit)					(134 837)
Assets					
Receivables from exchange transactions	4 270	-	-	-	4 270
Receivables from non-exchange transactions	-	-	9 366	-	9 366
Cash and cash equivalents	42 691	33 064	274 526	19 128	369 409
Prepayments	305	-	415	-	658
Property,plant and equipment	24 795	-	-	-	24 795
Intangibles assets	479	-	-	-	479
Total segment assets	72 540	33 064	284 307	19 128	409 039
Total assets as per Statement of financial Position					409 039

2021	Administration	Mandatory grants	Discretionary grants	Special projects	Total
Liabilities					
Payables from exchange transactions	5 258	-	-	-	5 258
Payables from non-exchange transactions	-	32 373	67 324	-	99 697
Provisions	4 091	7 734	127 434	-	139 262
Unspent conditional grants	-	-	-	19 128	19 128
Total segment liabilities	9 349	40 107	194 761	19 128	263 345
Total liabilities as per Statement of financial Position					263 345
Other information					
Reserves at 31 March 2021	25 274	40	171 080		

2020	Administration	Mandatory grants	Discretionary grants	Special projects	Total
Revenue					
Skills development Levy Income	40 515	77 152	191 198	-	308 865
Government levy	1 190	-	2 381	-	3 571
Penalties and interest	-	-	1 938	-	1 938
Investment income	-	-	20 442	-	20 442
Other Income	143	-	-	-	143
Special project Income	-	-	-	3 514	3 514
Total segment revenue	41 848	77 152	215 959	3 514	338 473
Entity's revenue					338 473
Expenditure					
Administration expense	47 770	-	-	-	47 770
Employee costs	22 574	-	16 395	-	38 969
Depreciation and amortisation	827	-	-	-	827
Loss on derecognised assets	107	-	-	-	107
Mandatory grant and Project expenses	-	67 259	186 417	3 514	257 190
Repairs and maintenance	114	-	-	-	114
Total segment expenditure	71 392	67 259	202 812	3 514	344 977
Total segmental surplus/(deficit)					(6 504)

2020	Administration	Mandatory grants	Discretionary grants	Special projects	Total
Assets					
Receivables from exchange transactions	39 562	-	-	-	39 562
Receivables from non-exchange transactions	-	-	81 603	-	81 603
Prepayments	223	-	5 852	-	6 075
Cash and Cash equivalents	8 978	31 536	304 229	19 869	364 612
Property, plant and Equipment	61 576	-	-	-	61 576
Intangible assets	571	-	-	-	571
Total segment assets	110 910	31 536	391 684	19 869	553 999
Total assets as per Statement of financial Position					553 999
Liabilities					
Payables from exchange transactions	5 543	-	-	-	5 543
Payables from non-exchange transactions	-	30 586	37 698	-	68 284
Provisions	3 435	950	174 907	-	179 292
Unspent conditional grants	-	-	-	19 869	19 869
Total segment liabilities	8 978	31 536	212 605	19 869	272 988
Total liabilities as per Statement of financial Position					272 988
Other information					
Reserves at 31 March 2020	62 147	40	120 380		

32. IMPAIRMENT OF ASSETS**Impairments**

Property, plant and equipment	83 964	-
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Further disclosures related to this impairment loss are made in notes 3,4 and 6.



PART F

ADDENDUM

“The NDP calls for an improvement in the quality of education and training to enhance the capabilities of our people so that they are active participants in developing the potential of the country. The vision implicit in this is that by growing the economy faster, more people will be drawn into and will create work; thereby raising living standards for all, but particularly of the poor. The NSDP is informed by this vision and proposes that an understanding and determination of the demands of the labour market and of national priorities must be interpreted into appropriate interventions from education and training institutions”

MRS GRACE NALEDI MANDISA PANDOR
(FOREWORD TO NSDP 2030)

INSTITUTIONAL PERFORMANCE INFORMATION REPORTING

PROGRAMME 1 / SUB-PROGRAMME: ADMINISTRATION									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Improved SETA performance and meet stakeholder needs	Strategic Plan and Annual Performance Plan	Approved Strategic Plan and Annual Performance Plan	Final Strategic Plan and Annual Performance Plan tabled in parliament by due date and approved by the Executive Authority	Target achieved	Strategic Plan and Annual Performance Plan approved	Strategic Plan and Annual Performance Plan approved by the Minister on 24 March 2021.	-	Target achieved	N/A
	SETA performance against plan	% of APP targets achieved	69%	68%	80%	68%	-12%	Target not achieved due to impact of lockdown restrictions on Post School Education & Training system. Occupationally directed training was negatively impacted as practical training and work-based training was halted due to limited access to training facilities and workplaces. A significant number of skills development providers could not continue with theoretical training during lockdown due to no capacity to host virtual training. Implementation of projects was therefore delayed and therefore projects were not completed as expected.	N/A
	Quarterly SETA Good Governance report	No of SETA good governance reports	4 Quarterly SETA good governance reports submitted to DHET	Target achieved	4 SETA good governance reports	4 Quarterly SETA good governance reports submitted to DHET	-	Target achieved	N/A

PROGRAMME 1 / SUB-PROGRAMME: GOVERNANCE, AUDIT & RISK									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Compliance with statutory requirements	Audit Report	AGSA audit opinion	Unqualified audit opinion in the 2019/20 financial year	Unqualified audit	Unqualified audit	NA	NA	NA	N/A
	Internal Audit Strategy	Approved internal audit strategy	N/A	Achieved 5 months after targeted date	3-year rolling internal audit strategy approved by 30/06/20	Target not achieved	Achieved 5 months after targeted date	Appointment of a new outsourced internal audit service provider was delayed due to Covid-19-related restrictions on the open tender process. 3-year rolling plan was approved after EWSETA was able to appoint an outsourced internal audit function.	N/A
	Strategic Risk Register	Approved annual risk plan	Strategic Risk Register approved by AA	N/A	N/A	N/A	N/A	N/A	N/A

PROGRAMME 1/SUB-PROGRAMME: HUMAN RESOURCES / MARKETING & COMMUNICATIONS / INFORMATION TECHNOLOGY									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Improved Operational Performance	Alignment of individual performance to organisational Performance indicators and Values	Signed Performance Contracts for all staff	All HR Strategy milestones for the year were achieved	Target not achieved	100%	97%	-3%	Target not achieved	N/A
	Evaluation of staff performance	Performance Evaluations conducted for all staff	50%	Target achieved	100%	100%	-	Target Achieved	N/A

PROGRAMME 1/SUB-PROGRAMME: HUMAN RESOURCES / MARKETING & COMMUNICATIONS / INFORMATION TECHNOLOGY									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Improved Operational Performance	Internal Skills Development	% implementation of a training and development plan that is aligned to the skills audit outcomes	All applicable staff performance evaluations were audited	Target not achieved	68%	35%	-33%	Target not achieved Training was implemented and aligned to PDPs and skills audit outcomes with additional workshops such as Risk management. All staff participated in COVID-19 training before returning to work	NA
		Source and partner with an organisational review consultant to initiate the project	NA	Target achieved	Source and partner with an organisational review consultant to initiate the project	Partner was sourced and project commenced in 2020/21	NA	Target Achieved By end of 2020/21 the Draft Operating Model and Proposed Organisational Structure was completed. 2021/22 will see the approval by Accounting Authority and implementation plan roll out. Proposed Employee Engagement Strategy developed	NA
		Employment equity report submitted to DoL	1	Target achieved	1	1	NA	Target achieved	NA
	Positioning the EWSETA as a thought leader and skills development partner for the sector.	No of sector events and CEO Roadshows held	4	10	6	10	+4	Target achieved Access to the EWSETA LiveHub communication platform has enabled the EWSETA to engage with a variety of stakeholders on a wide range of topics.	The planned actual target of 10 was reduced to 6 due to COVID-19 lockdown and budget reductions as a result of the SDL holiday.

PROGRAMME 1/SUB-PROGRAMME: HUMAN RESOURCES / MARKETING & COMMUNICATIONS / INFORMATION TECHNOLOGY									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Improved Operational Performance	Increased stakeholder awareness of and participation in EWSETA programmes.	Number of EWSETA publications / brochures.	9	7	7	7	-	Target achieved	The planned actual target of 8 was reduced to 7 due to COVID-19 lockdown and budget reductions as a result of the SDL holiday.
	Digitisation of marketing and communication touch points	Development of communication app for mobile devices	NA	Target Achieved	EWSETA APP developed	Development of App concept and content outline	Development of App concept and content outline	Target Achieved	The initial target had been the development of the APP, but this was changed due to the budgetary restrictions as a result of the SDL holiday.
	Increased social media awareness and activity	Implementation of Social Media Operational Plan	NA	Target achieved	20% increase in followers across all active social media platforms	NA	20% increase in followers across all active social media platforms	Target achieved	NA
	Improved ICT Management	Implementation of Reviewed ICT Strategy	Approved ICT Strategy 2019/20 Operational Plan	Target achieved	ICT Strategy Reviewed and approved	ICT Strategy Reviewed and approved	N/A	Target achieved	NA
	Improved stakeholder engagement	Implemented EWSETA stakeholder portal and reporting dashboard.	Develop & design EWSETA ERP/MIS architecture	Target achieved	Implemented EWSETA website and stakeholder portal.	Implemented EWSETA website and stakeholder portal.	N/A	Target achieved	NA

PROGRAMME 1/SUB-PROGRAMME: HUMAN RESOURCES / MARKETING & COMMUNICATIONS / INFORMATION TECHNOLOGY									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Improved Operational Performance	Minimisation of Business Downtime.	Implementation of the disaster recovery and business continuity plan	10% usage of MIS system	Target not achieved	100%	50%	-50	Target Not Achieved The delayed appointment of the Internal Auditors resulted in the IT Governance and Controls' audit only being completed in Q4 and the findings were to inform the review of the DRP in order to close the identified weaknesses. This resulted in the development and implementation of the DRP not being finalised by the end of Q4. A COVID-19 Business Continuity Plan was developed and implemented during the year.	NA

PROGRAMME 2 / SUB-PROGRAMME: WORK SKILLS PLANS AND ANNUAL TRAINING REPORTS									
Outcome	Output	Output Indicator	Actual Performance 2018/2019	Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Enhanced learning programmes for occupations in high demand	WSPs and ATRs approved for small firms	No of WSPs and ATRs approved for small firms	81	95	100	125	+25	Target Achieved Improved stakeholder engagement through various stakeholder interventions including, CEO roadshows; Skills Development Facilitators workshops; Focus Group Sessions and sector speaking platform resulted in improved employer participation	Not applicable. There were no revisions

PROGRAMME 2 / SUB-PROGRAMME: WORK SKILLS PLANS AND ANNUAL TRAINING REPORTS									
Outcome	Output	Output Indicator	Actual Performance 2018/2019	Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Enhanced learning programmes for occupations in high demand	WSPs and ATRs approved for medium firms	No of WSPs and ATRs approved for medium firms	22	32	30	37	+7	Target Achieved Improved stakeholder engagement through various stakeholder interventions including, CEO roadshows; Skills Development Facilitators workshops; Focus Group Sessions and sector speaking platform resulted in improved employer participation	Not applicable. There were no revisions
	WSPs and ATRs approved for large firms	No of WSPs and ATRs approved for large firms	12	22	20	23	+3	Target Achieved Improved stakeholder engagement through various stakeholder interventions including, CEO roadshows; Skills Development Facilitators workshops; Focus Group Sessions and sector speaking platform resulted in improved employer participation	Not applicable. There were no revisions

PROGRAMME 2/SUB-PROGRAMME: SECTOR SKILLS PLAN									
Outcome	Output	Output Indicator	Actual Performance 2018/2019	Actual Performance 2019/2020	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Enhanced learning programmes for occupations in high demand	Annual Sector Skills Plan	Sector Skills Plan reviewed and approved	Annual SSP 2019 – 2020 approved	Annual SSP 2020 – 2021 approved	Annual SSP 2021 – 2022 approved	The Sector Skills Plan was approved by the Minister on 24 March 2021	None	Target achieved	NA

PROGRAMME 2/SUB-PROGRAMME: SECTOR SKILLS PLAN									
Outcome	Output	Output Indicator	Actual Performance 2018/2019	Actual Performance 2019/2020	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Enhanced learning programmes for occupations in high demand	Sector research agreements for TVET growth occupationally directed programmes	Number of sector research agreements signed for TVET growth occupationally directed programmes	N/A	N/A	2 research agreements signed (energy + water)	2 research agreements signed (energy + water)	None	Target achieved	NA
	Skills needs of established and emergent cooperatives	Identified skills needs of established and emergent cooperatives	N/A	N/A	1 research project implemented	1 research project implemented	None	Target achieved	NA
	Skills needs of small and emerging enterprises	Identified skills needs of small and emerging enterprises	N/A	N/A	1 research project implemented	1 research project implemented	None	Target achieved	NA
	Topical Research Studies	No of topical research reports	N/A	N/A	1 research project implemented	1 research project implemented	None	Target achieved	NA

PROGRAMME 2 / SUB-PROGRAMME: MONITORING AND EVALUATION									
Outcome	Output	Output Indicator	Actual Performance 2018/2019	Actual Performance 2019/2020	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Improved organisational learning on performance of programmes	Results based M&E framework	Approved internal M&E framework	N/A	N/A	M&E framework developed	The M&E framework was not developed	M&E framework not developed	Target not achieved M&E Framework was not developed due to limited internal capacity. However, through the existing M&E System Development Plan the following M&E activities were conducted to ensure projects are monitored. Evaluations Studies (Impact & Tracer) and conducted four Project Monitoring Reports Developed	NA
	Monitoring reports	4 quarterly monitoring reports submitted to DHET	4	4	4 quarterly reports	4 quarterly reports	None	Target achieved	NA
	Evaluation reports	No of evaluation reports	1 Impact Study	N/A	1 Impact Study	Impact study conducted	None	Target achieved	NA
	Tracer study reports	No of tracer study reports	1 Tracer study conducted	Tracer study conducted	1 Tracer Study Report	Tracer study conducted	None	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased access to occupations in high demand within the energy and water sector by 2024	25% of discretionary grant budget allocated to developing high level skills	% of discretionary grant budget allocated at developing high level skills	-	Target achieved	25%	SETA Funded: 28% Non-SETA Funded: -	+3%	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased access to occupations in high demand within the energy and water sector by 2024	60% of discretionary grant budget allocated to developing intermediate skills	% of discretionary grant budget allocated at developing intermediate skills	-	Target achieved	60%	SETA Funded: 48% Non-SETA Funded: -	-12%	Target not achieved	NA
	15% of discretionary grant budget allocated at developing elementary skills	% of discretionary grant budget allocated at developing elementary skills	-	Target achieved	15%	SETA Funded: 23% Non-SETA Funded: -	+8%	Target achieved	NA
	Number of learners in employment (Internships, Skills programmes, Bursaries, Learnerships completed)	Number of learners in employment (Internships, Skills programmes, Bursaries, Learnerships completed)	-	Target not achieved	100	0	-100	Target not achieved Processes to track and trace graduates that are employed in the current year was not finalised therefore no actual tracking exercise was conducted	NA
	Number of people to be trained on entrepreneurial skills	Number of people to be trained on entrepreneurial skills	-	Target not achieved	10	0	-10	Target not achieved. Training provider was appointed during the year to capacitate 20 entrepreneurs to roll our 4IR enabled solutions to solve water, energy and food security challenges. At year end, the appointment of potential entrepreneurs was not finalised.	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased access to occupations in high demand within the energy and water sector by 2024	Number of rural development projects initiated	Number of rural development projects initiated	-	Target achieved	20	SETA Funded: 20 Non-SETA Funded: -	-	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased skills capacity through workplace-based learning	Number of TVET students requiring work integrated learning to complete their qualifications place in workplaces	Number of TVET students requiring work integrated learning to complete their qualifications place in workplaces	-	0	50	0	-50	Target not met. Workplaces for placement of TVET students were identified and contracted with however students concluded their contracting outside the reporting period. Workplaces for placement of TVET students were identified and contracted with however students concluded their contracting outside the reporting period.	COVID-19 lockdown and Budgetary restrictions due to SDL holiday for employers
	Number of TVET students completed their Work Integrated Learning placements	Number of TVET students completed their Work Integrated Learning placements	139	50	30	SETA Funded: 50 Non-SETA Funded: -	+20	Target achieved More TVET students completed work integrated learning due to prior year students only completing their programme in the current year.	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased skills capacity through workplace-based learning	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces		21	50	SETA Funded: 21 Non-SETA Funded: -	-29	Target not achieved Workplaces not available during lockdown period and therefore affecting completion of training	
	Number of university students completed their Work Integrated Learning placements	Number of university students completed their Work Integrated Learning placements		55	30	SETA Funded: 50 Non-SETA Funded: -	+25	Target achieved More university students completed work integrated learning due to prior year students only completing their programme in the current year.	
	No of unemployed learners enrolled Internships	No of unemployed learners enrolled Internships	36	45	100	SETA Funded: 45 Non-SETA Funded: -	-55	Project awarded in Quarter 4 of 2020/21 but contracts were only signed by contracted learners after the end of the reporting period.	COVID-19 lockdown and Budgetary restrictions due to SDL holiday for
	No of unemployed learners completed Internships	No of unemployed learners completed Internships	117	0	100	0	-100	Project awarded in Quarter 4 of 2020/21 but contracts were only signed by contracted learners after the end of the reporting period.	NA
	No of unemployed learners enrolled skills programmes	No of unemployed learners enrolled skills programmes	308	635	250	SETA Funded: 573 Non-SETA Funded: 62	+447	Target exceeded due to partnership with industry to fund more learners on the solar water heating (SWH) project	COVID-19 lockdown and Budgetary restrictions due to SDL holiday for

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased skills capacity through workplace-based learning	No of unemployed learners completed skills programmes	No of unemployed learners completed skills programmes	70	21	600	SETA Funded: Non-SETA Funded: 21	-579	Target not achieved due to significant delays in the SWH project was not completed as planned due to COVID 19 restrictions	NA
	No of unemployed learners enrolled Learnership programmes	No of unemployed learners enrolled Learnership programmes	1 313	309	250	SETA Funded: 265 Non-SETA Funded: 44	+59	Target achieved	
	No of unemployed learners completed Learnership programmes	No of unemployed learners completed Learnership programmes	1 380	1029	900	SETA Funded: 753 Non-SETA Funded: 276	+129	Target achieved	
	No of unemployed learners enrolled for candidacy programmes	No of unemployed learners enrolled for candidacy programmes	21	20	20	SETA Funded: 20 Non-SETA Funded: -	0	Target achieved	NA
	No of unemployed learners completed candidacy programmes	No of unemployed learners completed candidacy programmes	21	0	20	0	-20	Target not achieved Candidacy Programme commenced late in the year and therefore not completed within the year under review	NA
	No of workers enrolled Learnerships programmes	No of workers enrolled Learnerships programmes	458	250	250	SETA Funded: 152 Non-SETA Funded: 98	0	Target achieved	

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased skills capacity through workplace-based learning	1 200 Workers completed Learnership programmes	No of workers completed Learnerships programmes	279	375	250	SETA Funded: 70 Non-SETA Funded: 305	+125	Target achieved	NA
	No of workers enrolled Bursary programmes (new entries)	No of workers enrolled Bursary programmes (new entries)	34	15	50	SETA Funded: 15 Non-SETA Funded: -	-35	Target not achieved Employers were awarded bursary funding to support workers, however a number of employees did not register with learning institutions	NA
	No of workers enrolled bursary programmes (continuing)	No of workers enrolled bursary programmes (continuing)	-	4	30	SETA Funded: 4 Non-SETA Funded: -	-26	Target not achieved due to poor progress on currently issued bursaries to employers	NA
	No of workers completed bursary programmes	No of workers completed bursary programmes	5	0	25	0	-25	Target not achieved Target not achieved due to poor progress on currently issued bursaries to employers	COVID-19 lockdown and Budgetary restrictions due to SDL holiday for employers
	No of workers enrolled skills programmes	No of workers enrolled skills programmes	1 340	801	800	SETA Funded: 790 Non-SETA Funded: 11	+1	Target achieved	NA
	No of workers completed skills programmes	No of workers completed skills programmes	955	1194	1 500	SETA Funded: 576 Non-SETA Funded: 718	-306	Target not achieved	NA
	No of workers enrolled AET programmes	No of workers enrolled AET programmes	50	50	50	SETA Funded: 50 Non-SETA Funded: -	0	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased skills capacity through workplace-based learning	No of workers completed AET programmes	No of workers completed AET programmes	0	0	25	0	-25	Target not achieved Late entry of learners into programme resulted in no completions	NA
	Number of Federations /Trade Unions supported through the relevant skills training interventions	Number of Federations /Trade Unions supported through the relevant skills training interventions		5	5	SETA Funded: 5 Non-SETA Funded: -	0	Target achieved	
Increased access to occupations in high demand	No of artisan learners enrolled	No of artisan learners enrolled	851	619	600	SETA Funded: 619 Non-SETA Funded: -	+19	Target achieved	NA
	No of artisan learners completed	No of artisan learners completed	652	720	600	SETA Funded: 706 Non-SETA Funded: 14	+120	Target achieved	NA
	No of unemployed learners enrolled bursaries (new enrolments)	No of unemployed learners enrolled bursaries (new enrolments)	337	72	150	SETA Funded: 72 Non-SETA Funded: -	-78	Target not achieved A large number of applications was received, however many learners that were awarded bursaries could not provide proof registration with universities due to extension of academic year that ended beyond 31 March 2021	COVID-19 lockdown and Budgetary restrictions due to SDL holiday for employers

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased access to occupations in high demand	No of unemployed learner bursaries (continuing)	No of unemployed learner bursaries (continuing)	NA	17	200	SETA Funded: 17 Non-SETA Funded: -	-183	Target not achieved A number of funded learners did not seek additional continuing bursary funding due to obtaining bursary funds from other funders. The extended academic year further affected reapplication	NA
	No of unemployed learners completed Bursaries	No of unemployed learners completed Bursaries	247	42	100	SETA Funded: 42 Non-SETA Funded: -	-58	Target not achieved A high drop-out rate and shifting to other funders result in lower completion rate	NA
	Learners enrolled for RPL/ARPL programmes	No of learners enrolled RPL/ARPL	100	10	10	SETA Funded: 0 Non-SETA Funded: 10	0	Target achieved	NA
	Learners completed RPL/ ARPL	No of learners completed RPL/ ARPL	-	17	10	SETA Funded: 9 Non-SETA Funded: 8	+7	Target exceeded to due to interventions funded by the industry	NA
	TVET partnerships established	No of TVET partnerships established	9	2	5	SETA Funded: 2 Non-SETA Funded: -	-3	Target not achieved	NA
	HEI partnerships established	No of HEI partnerships established	6	5	3	SETA Funded: 5 Non-SETA Funded: -	+2	Target achieved The country's need to fund bursaries for the 'missing middle' resulted in more partnership with universities to fund energy and water related studies	NA
	CET partnerships established	No of CET partnerships established	-	2	2	SETA Funded: 2 Non-SETA Funded: -	0	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased access to occupations in high demand	SETA employer partnerships established	No of SETA employer partnerships established	15	12	5	SETA Funded: 12 Non-SETA Funded: -	+7	Target achieved Improved stakeholder engagement and the implementation of the revised partnership model resulted in the increased employer participation and skills development partnerships with employers	NA
Increased support for the growth of the public college system	SETA offices established and maintained in TVET colleges	No of SETA offices established and maintained in TVET colleges	-	4	5	SETA Funded: 4 Non-SETA Funded: -	-1	Target not achieved Only one office was established during the year and other offices maintained. Due to less need for office based operational requirements during the year, there were no other offices established.	NA
	CoS supported	No of CoS supported	-	1	1	SETA Funded: 1 Non-SETA Funded: -	-	Target not achieved	NA
	TVET lecturers exposed to the industry through skills programmes	No of TVET lecturers exposed to the industry through skills programmes	8	11	20	SETA Funded: 11 Non-SETA Funded: -	-9	Target not achieved due to Lecturer drop out from the course and non-attendance	NA
	Number of Managers receiving training on curriculum related studies	Number of Managers receiving training on curriculum related studies	-	6	10	SETA Funded: 6 Non-SETA Funded: -	-4	Target not achieved due to Lecturer drop out from the course and non-adherence to training requirements	NA
	TVET college lecturers awarded bursaries	No of TVET colleges Lecturers awarded bursaries	-	5	5	SETA Funded: 5 Non-SETA Funded: -	0	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased support for the growth of the public college system	TVET college infrastructure development (equipment/ workshops)	TVET college infrastructure development (equipment/ workshops)	-	1	1	SETA Funded: 1 Non-SETA Funded: -	0	Target achieved	NA
	CET college lecturers awarded bursaries	No of CET colleges lecturers awarded bursaries	-	7	5	SETA Funded: 7 Non-SETA Funded: -	+2	Target achieved	NA
	CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	-	1	1	SETA Funded: 1 Non-SETA Funded: -	0	Target achieved	NA
	Number of CET Managers receiving training on curriculum related studies	Number of CET Managers receiving training on curriculum related studies	-	5	5	SETA Funded: 5 Non-SETA Funded: -	0	Target not achieved	COVID-19 lockdown and Budgetary restrictions due to SDL holiday for employers
	Number of CET learners accessing AET programmes	Number of CET learners accessing AET programmes	NA	0	0	0	0	NA	NA
	Co-operatives supported with training interventions funded	No of Co-operatives supported with training interventions funded	1	9	10	9	-1	Target not achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Increased economical participation of CBOs/ NGOs / NPOs / SMMEs within the energy and water sector	Small Business supported with training interventions funded	No of Small Business supported with training interventions funded	20	0	20	0	-20	Target not achieved Project implementer appointed but selection process for small businesses to be trained and coached not finalised at year end	NA
	Number of people trained on entrepreneurship supported to start their businesses	Number of people trained on entrepreneurship supported to start their businesses	-	0	5	0	-5	Target not achieved Project implementer appointed but selection process for small businesses to be trained and coached not finalised at year end	NA
	Number of CBOs/ NGOs/ NPOs supported with training interventions or funded	Number of CBOs/ NGOs/ NPOs supported with training interventions or funded	3	11	5	11	+6	Target achieved	NA

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Labour force that is updated with the current skills required for the sector	Career development events in urban areas on occupations in high demand	No of career development events in urban areas on occupations in high demand	-	27	15	27	+12	Target achieved The lack of access to learners in 2020 due to the COVID-19 lockdown measures saw the EWSETA actively seeking partnerships with provincial Departments of Basic Education to enable the delivery of career guidance activities. During Q4, the EWSETA in partnership with the Department of Basic Education in Gauteng, was granted access to 5 schools in four different municipal districts in Gauteng. It is this activity that contributed to the additional achievement on this target	The initial target of 20 was reduced to 15 as a result of the lockdown measures that prevented access to learners, as well as a reduction in budget due to the SDL holiday
	Career development events in rural areas on occupations in high demand	No of career development events in rural areas on occupations in high demand	-	37	10	37	+27	Target achieved During Q1 and Q2 there was minimal access to high school learners due to the lockdown measures in place. In Q3 and Q4 various provincial Departments of Basic Education approached the EWSETA to partner in the roll out of maths and science capacitation workshops for Grade 12 learners, career guidance for high school learners and Life Orientation Teacher workshops. EWSETA used the opportunities presented to make maximum impact.	The initial target of 15 was reduced to 10 as a result of the lockdown measures that prevented access to learners, as well as a reduction in budget due to the SDL holiday

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Labour force that is updated with the current skills required for the sector	Career development practitioners trained	No of career development practitioners trained	-	112	80	112	+32	Target achieved This target was achieved using a hybrid approach combining an online workshop and access to career development practitioners whilst rolling out career guidance activities in urban and rural areas	The initial target of 100 was reduced to 80 as a result of the lockdown measures, as well as a reduction in budget due to the SDL holiday
	Capacity building workshops on career development services initiated	No of capacity building workshops on career development services initiated	-	11	6	11	+5	Target achieved DHET defines a Career Development Practitioner (CDP) as anyone in South Africa who in any way delivers career guidance services. Interaction with CDPs is achieved through any form of capacity building workshop and therefore any and all career development workshops hosted by the EWSETA has contributed to this target. Through partnerships with various Provincial Departments of Basic Education, the EWSETA was granted access to educators in both rural and urban areas for the purposes of career guidance capacitation	The initial target of 9 was reduced to 6 as a result of the lockdown measures, as well as a reduction in budget due to the SDL holiday

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Labour force that is updated with the current skills required for the sector	Capacitation of Educators on energy and water career paths	Number of Workshops for life orientation teachers in rural communities	-	7	3	7	+4	Target achieved During Q3 and Q4 the EWSETA partnered with various provincial Departments of Basic Education to deliver career guidance capacitation sessions for Life Orientation Teachers whilst in the provinces for science/maths capacitation workshops and career guidance for high school learners	The initial target of 5 was reduced to 3 as a result of the lockdown measures that prevented access to teachers, as well as a reduction in budget due to the SDL holiday
	Increased awareness in rural communities	Rural Community advertising campaigns implemented	-	4 campaigns	2 campaigns	4 campaigns	+2	Target achieved The career guidance activities were targeted at delivering maximum impact within specific rural communities that allowed the EWSETA to communicate valuable career guidance information in a specific area	The initial target of 3 was reduced to 2 as a result of the reduction in budget due to the SDL holiday

PROGRAMME 3 / SUB-PROGRAMME: LEARNING PROGRAMMES AND PROJECTS									
Outcome	Output	Output indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Labour force that is updated with the current skills required for the sector		Number of career guides distributed	12 373	13244	10 000	13 244	3 244	Target achieved This target was achieved through using a 'hybrid' approach to sharing career guidance material. The EWSETA career guide is available as a PDF on the EWSETA website and downloads of the document were tracked. In addition, career guides were distributed at all rural and urban career guidance events undertaken in partnership with the Provincial Departments of Basic Education. Furthermore, the EWSETA tracked views of its career guidance audio-visuals available on the EWSETA YouTube Channel.	The initial target of 14000 was reduced to 10000 as a result of the lockdown measures that prevented access to learners, as well as a reduction in budget due to the SDL holiday

PROGRAMME 4: QUALITY ASSURANCE									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Updated qualifications that are aligned to the current skills training needs	Workplaces approved for workplace training	No of workplaces approved	31	3	15	3	-12	No workplace approval requests were received during the lockdown period. Approval of new projects that started during the year affected the number of requests for workplace approvals	No application were received for workplace approval

PROGRAMME 4: QUALITY ASSURANCE									
Outcome	Output	Output indicator	Actual Performance 2019/20	Actual Performance 2020/21	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement for 2020/21	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Updated qualifications that are aligned to the current skills training needs	100 % of applications for certificate received and processed within 30 days	% of applications for certificate received and processed within 30 days	100%	62%	70%	62%	-8%	Lack of adequate subject matter experts resulted in backlog of certification application	No site visits conducted, learner POE's had to be courier to the EWSETA offices
	Qualifications developed as per industry needs.	No of qualifications developed as per industry needs.		2	2	2	0	Target achieved	NA
	QAS addendum are developed for registered qualification	No of QAS addendum developing on the registered qualifications	-	2	2	2	0	Target achieved	N/A



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