



SASSETA 2011 ANNUAL REPORT

IMPROVING SKILLS. ENRICHING LIVES



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

VISION

To be the leader in skills development for safety and security.

MISSION

Education and training authority that ensures quality provision of skills development and qualifications for South African citizens in the safety and security environment through effective and efficient partnerships.

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SASSETA 2011 ANNUAL REPORT



Dr. Blade Nzimande
Minister of Higher Education and Training



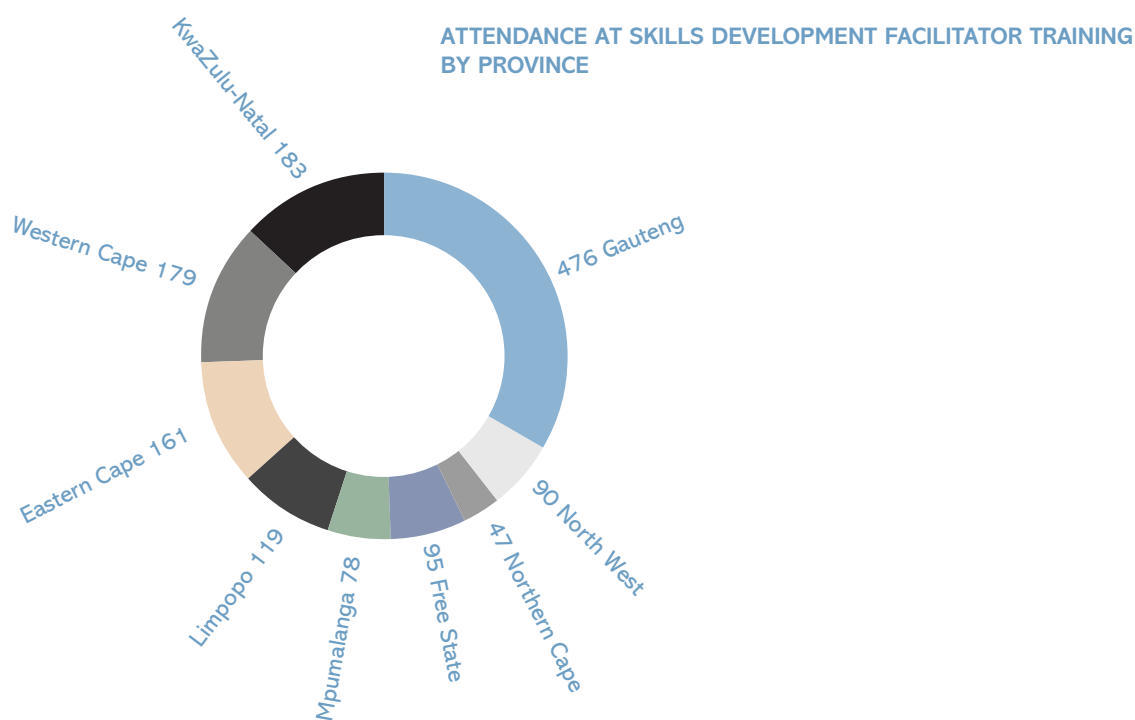
Zongezile Baloyi
Chief Executive Officer, SASSETA
(Safety and Security Sector Education and Training Authority)

It is my pleasure and privilege to present to you the Annual Report of the SASSETA for the Financial year ended 31 March 2011

SUMMARY 2011

ATTENDEES AT SDF TRAINING | ETQA REPORTS DONE

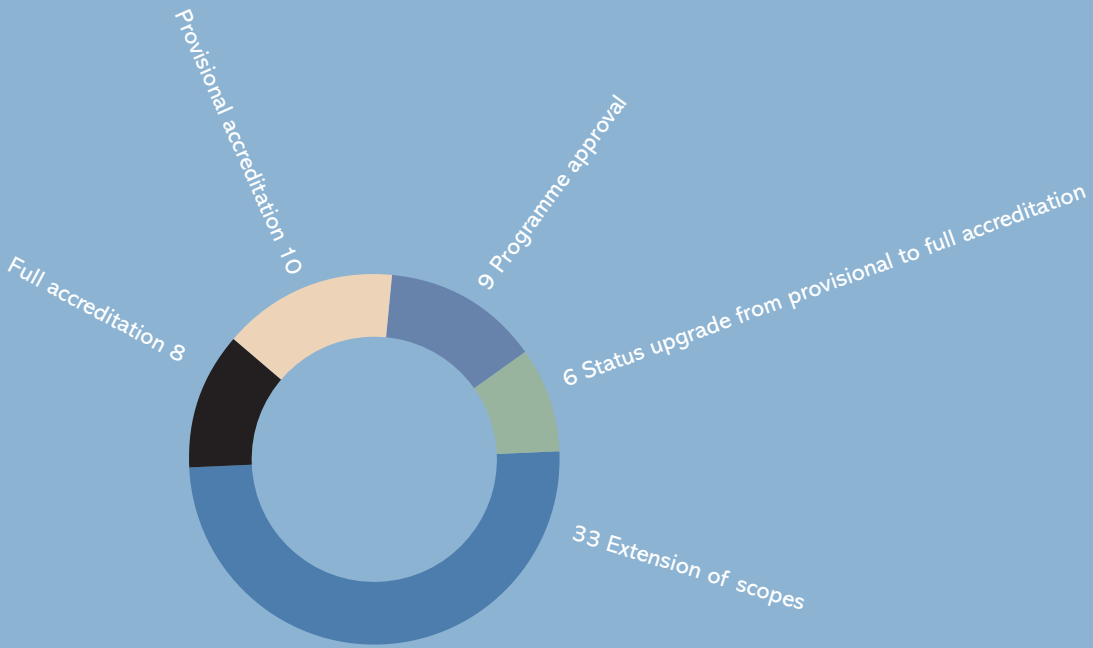
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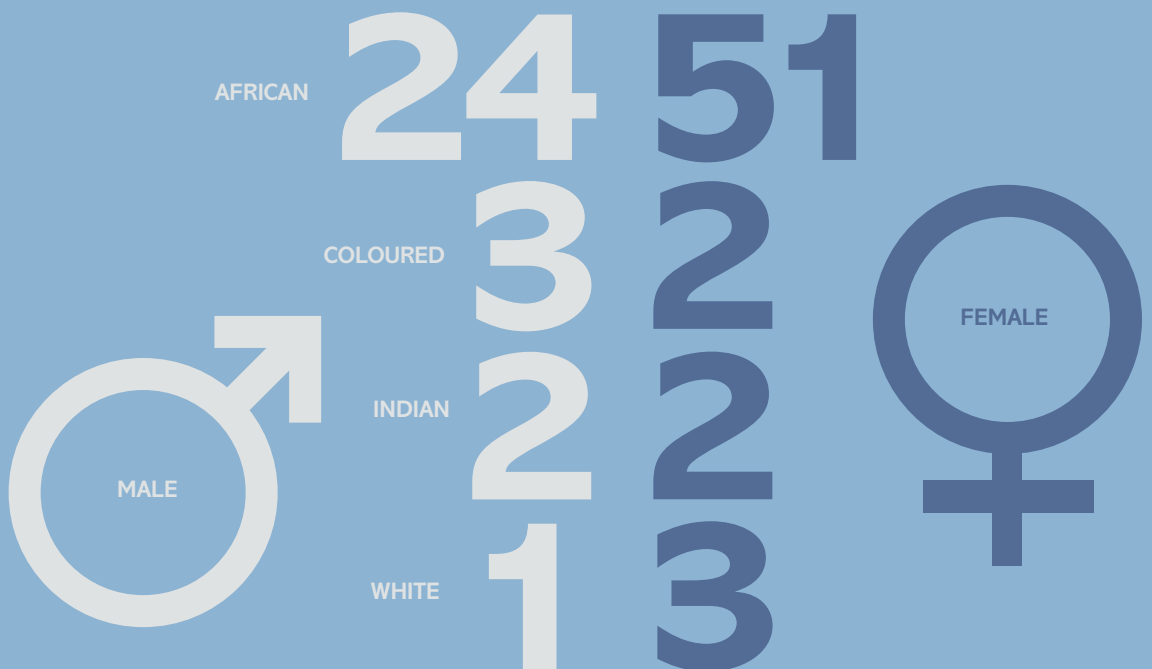
ETQA ASSESSORS | ETQA MODERATORS

795 | 383

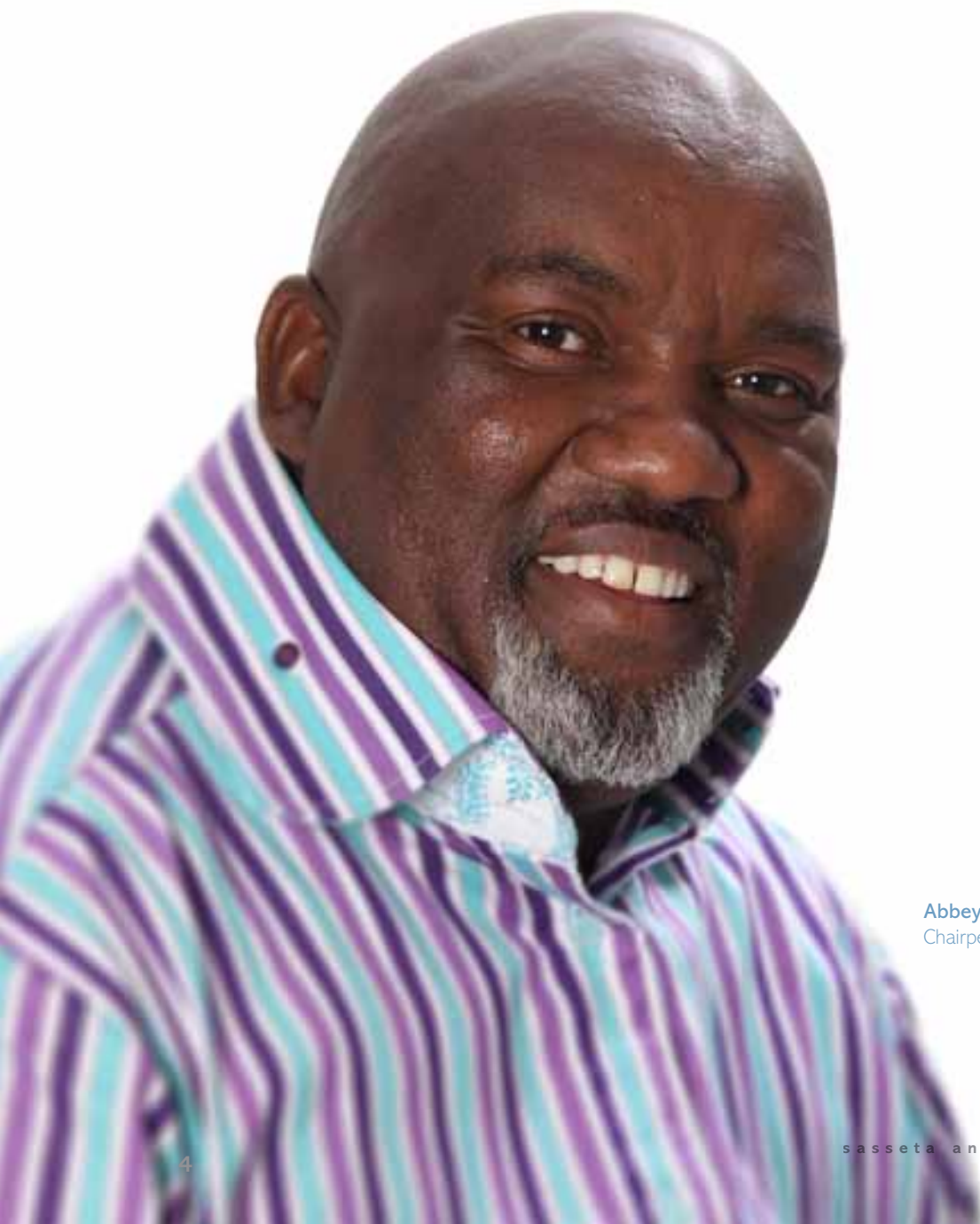
PROVIDERS ACCREDITED FROM MARCH 2010 TO APRIL 2011



EMPLOYMENT EQUITY AT SASSETA



CHAIRPERSON



Abbey Witbooi
Chairperson: SASSETA Board

S REPORT

SASSETA is delighted to release our 2010/11 Annual Report that sets out our activities for the year under review, and provides a detailed account of our sector contribution to the achievement of the National Skills Development Strategy.

The Financial year 2010/11 was a unique period for all Seta's because it constituted the announcement by the Minister Higher Education and Training to extend the life span of the Seta's by one year whilst the process of Seta re-certification was unfolding. This period was therefore critical for us because we had to take stock of our performance of the five (5) year National Skills Development Strategy II that commenced in 2005, adjust our skills development interventions to respond to national priorities and justify the need to be re-licensed in the new Seta landscape. This also included our state of readiness to re-position the organisation to respond to the demands of the new National Skills Development Strategy III.

The Accounting Authority took the opportunity to engage and articulate our sector perspective with regard to our position on the new Seta landscape by fully participating in Public Hearings, process leading to the finalization of the National Skills Development Strategy III and submitted inputs on the finalisation of the new Seta constitution.

The SASSETA Accounting Authority (Board) both welcomed and endorsed the outcome of the new Seta landscape, particularly the transfer of SIC codes that involve the move of Metro Police and Traffic Law Enforcement from Local Government Seta (LGSETA) to SASSETA. These developments as approved by the Minister

CHAIRPERSON'S REPORT

began to strengthen and consolidate all Safety and Security skills development matters and significantly re-defined the scope of our SETA.

In this financial year under review the Minister of Higher Education and Training also issued a directive to the Seta's to initiate the process of compiling and submitting five year Strategic Plans in line with the requirements of the Public Finance Management Act (PFMA). This directive required substantial changes in terms of the Seta planning processes and will enhance the capacity of the Seta's to plan in line with Government planning cycle framework as prescribed by the National Treasury regulations. The Accounting Authority had the responsibility of overseeing the implementation of this directive pertaining to the initial draft Strategic Plan (2011-2016) that was submitted to the Executive Authority. The newly appointed Accounting Authority will have the responsibility to review the five year Strategic plan moving forward.

SASSETA Board Committees also played a major role in ensuring that they enact their governance responsibilities as delegated by the Accounting Authority, continue to provide regular reports to the Accounting Authority and make recommendations where appropriate.

The Structures of the Accounting Authority remained functional and effective for the duration of the entire financial year in terms of providing strategic leadership and guidance to the SETA, performing governance duties and ensuring that the Seta complies with the relevant statutory requirements.

SASSETA Board Committees also played a major role in ensuring that they enact their governance responsibilities as delegated by the Accounting Authority, continue to provide regular reports to the Accounting Authority and make recommendations where

appropriate. The scheduled meetings for the financial year under review 2010/11 as per the approved year planner, as well as special Board meetings sanctioned to deal with urgent compliance issues, largely contributed to the effectiveness of the Accounting Authority and quarterly monitoring of SASSETA performance.

The Accounting Authority also took active interventions in monitoring the performance of chambers with regard to each chamber's performance contribution to the targets of the National Skills Development Strategy. In this regard, the Sector Skills Planning Committee recommended the use of Chamber score cards measuring tool enabling the Seta to determine the performance of each Chamber on various strategic components.

The Chambers within SASSETA are an integral part of governance and have played a critical role in providing strategic direction and leadership to their individual sub-sectors - including monitoring the implementation of learning programmes in their spheres of operation. Chambers serve as a platform where all the projects are evaluated according to relevance and cost

The Accounting Authority, during this financial year under review, ensured that sufficient care was taken to review the SASSETA implementation progress on all the learning programmes, quality assurance, and accreditation, developments in planning and research and in financial information reporting.

The Accounting Authority also took steps to empower members of the Accounting Authority by providing them with the necessary support and resources to be trained in governance matters and King III reporting.

During this past financial year the Accounting Authority finalised the forensic investigation that had previously emanated from a hotline alert. Reports were forwarded to the Executive Authority and the Auditor General and the matter has since been referred to the law enforcement agencies.

The Department of Higher Education and Training has, to some extent, provided the necessary support during this transition of the new Seta landscape and in the process of alignment to the NSDS III. The new Accounting Authority has already begun to put strategies in place to lead the Seta for the next five years.

The Chambers within SASSETA are an integral part of governance and have played a critical role in providing strategic direction and leadership to their individual sub-sectors – including monitoring the implementation of learning programmes in their spheres of operation. Chambers serve as a platform where all the projects are evaluated according to relevance and cost

We take this opportunity to express our sincere appreciation to all the Board members who have been part of SASSETA for the 2005-2010 periods for their contribution in providing guidance and strategic leadership. Our appreciation is also extended to staff for their continued effort in assisting SASSETA to realise its mandate.

Abbey Witbooi

Chairperson: SASSETA Board



CHIEF



Zongzile Baloyi
Chief Executive Officer

EXECUTIVE'S REPORT

The Safety and Security Sector Education and Authority (SASSETA) is pleased to present the final leg of the annual report forming part of the completion of National Skills Development Strategy II phase. It has already been indicated in the Chairpersons report that the 2010/11 financial year has indeed been unique one for us as a Seta on many levels; particularly in making sure that we build on the achievements and strides that we have made over the past five years, and that we prepare ourselves to embark on a transition as presented by the new skills development dispensation.

Re-certification of SASSETA

The re-certification of SASSETA was largely welcomed by our stakeholders but also had significant implications for the Seta operations with regard to the increased scope and the existing financial model. While the paper transfer of Metro police and Traffic enforcement to SASSETA has been dealt with, we are still in financial discussions with the DHET and the Local Government Seta regarding the revenue given the fact Local Government institutions are paying a single levy to the Local Government SETA. This matter is still under discussion between DHET and the affected Seta's.

Stakeholder Engagement

Sufficient progress has been made in out-reach programmes to our stakeholders in safety and security during the successful road shows that we conducted during this financial year. The interest on our road shows was exceedingly high given the fact that most of our venues were oversubscribed and we were able to reach more than 1, 425 sector skills development facilitators in just under eight weeks. The road shows were conducted in all nine (9) provinces of the country with the objective to fully engage with all our employers in the sector, skills development facilitators, training providers, learners and other stakeholders interested in the work of SASSETA. The content of the road

CHIEF EXECUTIVE'S REPORT

shows covered areas of specific interest such as mandatory and discretionary grants, Sector Skills Plan (scarce & critical skills list), quality assurance including developments in this area, the new National Skills Development Strategy III and the implications of the new Seta landscape in our sector

In a quest to improve service delivery and respond to the need of our stakeholders SASSETA through the procurement of the new information technology system has made it possible for our sector employers to submit workplace skills plans (WSP) and annual training reports (ATR) on line.

Enhancing Operational Efficiencies

In a quest to improve service delivery and respond to the need of our stakeholders SASSETA, through the procurement of a new information technology system, has made it possible for our sector employers to submit workplace skills plans (WSP) and annual training reports (ATR) on-line for the first time. The manual submission of these documents had its own challenges given the vast nature of the sector and access to the SETA. The introduction of this on-line service will have positive benefits for both SASSETA and stakeholders.

Grant Disbursement

We recorded an increase in the claiming of mandatory grants by employers in the safety and security sector compared to the previous financial years. An amount of R69.5 million (2009/10: R58.8 million) was claimed by employers. This is a 25.9% increase from previous financial year. This serves as an indicator to confirm that more employers are beginning to participate in skills development and training initiatives in the sector. A total amount of R132 million of discretionary grants was disbursed to the sector.

Support for Small levy paying firms

The Seta continues to make progress with regard to supporting small levy paying enterprises. We supported a total number of 362 small levy paying enterprises during this financial year to access the WSP/ATR grants. SASSETA has been able to over achieve in this area by a very large margin.

Support for Small BEE Firms

During this year under review we have focused on ensuring an increase the number of small BEE firms to be supported by skills development interventions and, as a result of this focus, we have been able to meet the targets as set in this area.

Recognition of Prior Learning (RPL)

The policing chamber within SASSETA has vigorously driven the RPL initiative. Over the year our sector has not performed well in this area due to a lack of policy understanding surrounding RPL. Employed learners were however declared competent in the South African Police for the Public Administration & National Certificate Policing Programme, and it is our view that this model of success emanating from the policing model can be transferred to other safety and security sub-sectors.

Improvement in ABET level 4 success rate

In the past it has been difficult to get learners progressing up to level four (4). Interventions implemented by employers, providers and the Seta with regard to appropriate learner support, has been effective in ensuring that we attain a significant proportion of learners at ABET level 4. A number of concerns in this area remain with regard to learner drop out at lower levels.

Emerging Provider Support Initiative

The SASSETA ETQA department initiated an emerging provider support programme with a view of assisting small and emerging providers to meet the high requirements of quality assurance. Emerging providers were provided with a Tool Kit for accreditation, the training of assessors and moderators and the development

of QMS. This project also benefitted providers that needed assistance in the Expanded Public Works Programme (EPWP), conducted in collaboration with the national Department of Public Works, to assist providers with the developmental interventions to attain accreditation. This inter-sector collaborative project was implemented with huge success with 96% of providers achieving accreditation status.

Contribution to the successful FIFA World Cup.

SASSETA, in collaboration with the Local Organizing Committee, South African Police, Department of Justice and Private security organizations joined hands in ensuring that the necessary training material for the 2010 soccer event was developed and approved by SASSETA ETQA. A total of 10 706 Stadium Safety Stewards were trained and certificated to perform the safety responsibility in all the venues hosting 2010 soccer matches. Safety Patrollers were also trained to perform safety functions at public viewing areas.

Enhancement of Monitoring

SASSETA took care to ensure we increase our monitoring in terms of the projects that we implement. The intention was to ensure that we developed the necessary capacity to monitor all projects that the Seta is implementing. As a result we were able to monitor 505 training sites in this financial year

Challenges and looking ahead

A number of challenges still remain that needs the urgent attention of the Seta. This challenge relates to:

- Provincial Presence
- Delayed implementation of proposed Private Security Training Standards
- Revenue collection arising from the sic code transfer

These matters are receiving urgent attention at Board level. Efforts have also been made to engage the Police Ministry and PSIRA regarding proposed Private Security Training Standards. The Department of Higher Education and training is leading the process of assisting the Seta's that have been affected by the sic code transfer to address the challenges regarding revenue collection.

The entire executive management of SASSETA thank the Board for its continued support in terms of leadership and guidance. Our sincere appreciation for the immense contribution of each and every one of the SASSETA employees who have demonstrated support and commitment to their organisation.

Zongezile Baloyi

SASSETA Chief Executive Officer



CHIEF FINANCIAL OFFICER'S



Luvuyo Mboniswa
Chief Financial Officer

AL COMMENT

Performance Information

According to PFMA section 55(2) (a), the Accounting Authority (Board) has additional responsibilities to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of SASSETA. It is against this background that the Auditor-General will issue an opinion on the Performance Information in the near future.

Administrative Revenue and Expenditure

Operational expenditure amounted to R66.2 million (2009/10: R55.1 million) against revenue collected of R69.0 million (2009/10: R56.8 million). This means that administrative surplus transferred to Discretionary Reserve amounted to R2.7 million (2009/10: R1.8 million) and therefore we were within the 10% limit on administration costs.

Mandatory Grants and Project Expenditure

SASSETA funded mandatory and project expenditure amounted to R201,8 million (2009/10: R163.9 million) against revenue of R135.9 million (2009/10: R126.7 million). This reflects the fact that National Treasury granted SASSETA permission to use unappropriated surplus from previous financial years to fund projects for the attainment of NSDS II targets.

Audit Report

The Seta maintained its unqualified audit opinion status it received in the preceding financial years. The Auditor General has however pointed out some matters that relate to legal and regulatory requirements on which we need to improve. The Seta will be working towards resolving these matters in the new financial year. All matters are contained in the Audit Report.

Financial Management

We remain committed to the sound management of funds in terms of the PFMA, Treasury Regulations and other relevant legislations in order to maintain an unqualified audit report. In the new financial year we will intensify the rolling out of projects, while maintaining the financial discipline required by PFMA. The control environment will be improved to reduce risk of financial mismanagement.

Appreciation

I want to extend my appreciation to the staff for positively contributing to the unqualified audit opinion through their day to day activities that, when viewed holistically, contribute towards the continued sustainability of SASSETA. A special appreciation, as well, to the Finance Team that spent long hours ensuring that our financial reporting is of high standard.

Luvuyo Mboniswa
Chief Financial Officer

PORTFOLIO MANAGEMENT

Portfolio of Projects

SASSETA continues to grow in terms of the number of projects, programmes and a portfolio of projects from 283 to 302 in 2011. This is largely due to the increasing number of stakeholders that participate fully with the SETA's strategy to fight unemployment and change people's lives for the better. This has culminated in a host of flagship projects which made a huge impact on the SASSETA scope of operation. The implementation of ABET within the Policing Chamber has, for example, been very successful as evidenced through the life improvement acknowledgments of learners during the graduation ceremonies that were held country-wide.

Project Management Approach

The growth of the project management department is further enhanced by adherence to the following key factors:

- **Critical success factors:** These are the indicators used to calculate the success at the end of the project
- **Planning:** Time spent planning is time well spent. All projects have detailed plans that are transparent to everyone involved in the project's progression. Critical information includes clearly documented project milestones. Deliverables and payments are linked to these outputs.
- **Team motivation:** The involvement of team members throughout the project and the planning frequent milestones accelerates progress.
- **Avoiding scope creep:** This is the most common reason projects exceed budget and deliver late. Our methodology makes provision for change requests to ensure compliance with the specification and the final product
- **Risk management:** SASSETA's Enterprise Project Management System (EPMS) produces a 'risk log' linked to action plans that ensure potential risks are identified and auctioned timeously.
- **Project closure and lessons learnt:** The last phase is key to ensuring that the project delivers in terms of the critical success factors. Lessons learnt are documented in the EPMS and serve as new guidelines for future projects.



SASSETA continues to grow in terms of the number of projects, programmes and a portfolio of projects from 283 to 302 in 2011. This is largely due to the increasing number of stakeholders that participate fully with the SETA's strategy to fight unemployment and change people's lives for the better.

SKILLS PLANNING AND RESEARCH

Skills Planning and Research is responsible for the development of the Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy that includes Mandatory Grants Applications, Evaluation and Analysis of Workplace Skills Plans (WSP) and Annual Training Reports (ATR). The department is also responsible for the capacitating of Skills Development Facilitators' (SDF) and Sector Research that informs the development of the SSP.

Sector Skills Plan

The new Sector Skills Plan for the period 2011 – 2016 was developed and approved by the Board on 7 February 2011. It was developed after an extensive consultative process with the stakeholders and was submitted to the Department of Higher Education and Training within the set time frames. The SSP is aligned to the new National Skills Development Strategy III (NSDS III), the National Human Resource Development Strategy of South Africa (NHRDSA), the New Growth (NGP) path as well as the Industrial Policy Action Plan (IPAP).

The process of updating and aligning the SSP with DHET recommendations has already commenced with the appointment of a service provider to assist with the updating and alignment processes. The new NSDS III identified the need to strengthen the research capacity and skills planning processes in the SETAs and our Skills Planning and Research Department needs to be strengthened if we are to deliver on our future mandate.

Skills Development Facilitators (SDF) Training

Success Indicator 1.2 of the National Skills Development Strategy (NSDS) requires that each Setas develop a Sector Guide containing a list of scarce and critical skills, and to ensure that such information is disseminated widely amongst the stakeholders. In terms of the target that was set for the Seta by NSDS II, 350 SDFs were to be trained every year on the use of SDF guide. The actual number of SDFs trained on the use of the guide was 1,425 which was an overachievement by 1,075 or,

an increase of 307 per cent over the previous year. Workshops were conducted during the Seta's national road shows when stakeholders were guided through the process of submitting the Workplace Skills Plan (WSP) and Annual Training Report (ATR). Amongst the other topics that were covered during the stakeholder road shows included presentation on the:

- Draft National Skills Development Strategy
- Sector Skills Plan and
- Scarce and Top-Up Skills list.
- Mandatory Grants Process.
- Completion of the Workplace Skills Plan and Annual Training Report.
- Accreditation of New Providers and
- Discretionary Grants Process.

Attendance in the various provinces is shown in the table below.

PROVINCE	NUMBER
Gauteng	476
North west	90
Northern Cape	47
Free state	95
Mpumalanga	78
Limpopo	119
Eastern Cape	161
Western Cape	179
Kwazulu-Natal	183
Total	1428

LEARNING PROGRAMMES

The Learning Programmes Department, during the 2010/2011 financial year, continued its primary purpose of facilitating the development, registration, implementation and monitoring of learning programmes that address specific sectoral needs and by offering learners various funded programmes such as Learnerships, Skills Programmes, Internships, Apprenticeships, Workplace Experience and Short Courses.

Learnerships

Some of the learnerships implemented during the period under review include

LEARNERSHIP	NUMBER OF LEARNERS
Paralegal Learnership NQF 5	100
Public Admin NQF 4 Learnership	146
Information Technology Learnership NQF 5	100
Public Sector Accounting Learnership NQF 5	49

Learnerships were implemented for both employed and unemployed learners.

LEARNERSHIPS	LEARNERSHIPS ENROLLED	LEARNERSHIPS COMPLETED
Employed Learners	1 313	794
Unemployed learners	1 131	491

Skills Programmes

For the first time SASSETA implemented a large scale Labour Relations Skills Program in conjunction with SATAWU in the Security Chamber and various other Skills Programs across the chambers.

LEARNERSHIPS	LEARNERSHIPS ENROLLED	LEARNERSHIPS COMPLETED
Employed Learners	3 155	1 211
Unemployed learners	741	367

Learner drop out rates continue to be of great concern. Upon investigation we discovered a variety of reasons why learners do not complete their studies: They leave because they have secured permanent employment, because of personal reasons or their inability to cope with the study workload. Some learners drop out of programmes because the employer delays allowance payments. We are currently investigating ways in which we may be able to decrease the drop rate in the future.

Internships/Work Experience Projects

A total of 15 Internships programs were completed by unemployed learners during the year under review.

Apprenticeships

Artisans Development Training was also prioritized and accelerated whereby training on different trades such as Plumbing, Motor Mechanics, Autotronics, Air-conditioning & Refrigeration and Welding were implemented.

212 employed and 100 unemployed learners entered artisans section 28 training during the year in review.

Bursaries

101 employed and 65 unemployed learners, across various chambers, were awarded Bursaries for studies in the Information Technology, Management Studies, Police Practice and Chemical Engineering fields.

Workplace Experience

A total of 229 workplace experience learning contracts with unemployed learners were entered and a total of 90 learners were placed.

New Venture Creation (NVC)

A total of 21 learners entered the New Venture Creation Learnership.

Registered learnerships

SASSETA currently offers 51 learnerships registered with the Department of Higher Education and Training. For a complete list of learnerships please visit the SASSETA website at www.sasseta.org.za



EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)

ETQA assists education and training providers to enhance their training provision and support their process of continuous improvement

The ETQA department is responsible to quality assure the provision of education and training by developing and accrediting providers, registering assessors and for the moderating of assessments. The Seta ETQAs are accredited and regulated by the South African Qualification Authority.

Monitoring and Evaluation / QALA (Quality Assurance of Learner Achievements)

Monitoring is possibly one of the most important functions of the ETQA. There has been a tremendous improvement in monitoring and auditing where the efficiency and effectiveness of this process has been ongoing as a result of the close collaboration between the ETQA and the Learning Programmes Department. The process has also identified best practices, more

especially among our small and emerging providers (SMMEs). The ETQA continues to monitor irregularities as and when they occur and take the necessary corrective steps.

Monitoring & Evaluation Verifications:

In the past financial year ETQA conducted 153 monitoring and evaluations and quality assured 104 learner achievements.

Registration of assessors and moderators

The ETQA department has seen a significant increase in assessors and moderators applications as well as extensions of scope. There has been a noticeable increase across most of the seven chambers within SASSETA (Legal, Justice, Security, South African Police Services, Defence, and Corrections). In the past financial year ETQA conducted 153 monitoring and evaluations and quality assured 104 learner achievements.

	LEGAL	PRIVATE SECURITY	DEFENCE	METRO POLICE	POLICE	JUSTICE	NIA	CORRECTIONAL SERVICES	TOTAL
Assessor	17	406	149	27	149	18	1	28	795
Moderator	7	143	86	21	94	12	-	20	383

Accreditation of Training Providers

Accreditation of training providers is one of the areas where SASSETA ETQA has matured and supported providers with the support of the internal committees. The ETQA had set its own

performance objectives and worked consistently to achieve the performance objectives that meet the sector needs.

	REPORTS/ETQA COMMITTEE MEETINGS 2010-2011	APR 2010	MAY 2010	AUG 2010	OCT 2010	DEC 2010	FEB 2011
1.	Full Accreditation	8	22	23	31	17	7
2.	Provisional Accreditation	10	14	9	15	35	13
3.	Programme Approval	9	11	17	2	18	22
4.	Status upgrade from provisional to full accreditation	6	15	18	7	9	3
5.	Extension of scopes	33	45	34	20	18	27
	Total reports done:	66	107	101	75	97	72
	Total: 518						

Building relationships

ETQA will build long-term relationships with Public FETCs and Universities of Technology during the coming financial year to assist them with their programme approvals.

Opportunities within the ETQA

There are several challenges facing SASSETA's ETQA Department in the coming year but plans are already in place to limit the risks and capitalise on the opportunities:

- Focus RPL in the sector as a practice across all sectors however with the security chamber being identified as a pilot.
- Establish a national footprint in all provinces and create accessibility to providers.
- Identify and address non-compliance and under performance within the provider community
- Analyse and determine trends, including the satisfaction levels of learners and stakeholders,
- Identify possible areas among providers that require interventions in the form of capacity building and support to skills development
- Improve on the turnaround time for issuing learner achievement certificates, provider accreditations, assessor and moderator registrations
- Ensure that a more effective database is maintained

Review of SASSETA Developed Learning Material: National Certificate General Security Practices: 58577

The learning material for Skill Programme 1, 2 & 3 was developed and reviewed based on feedback from site visits, monitoring and verifications and workshop conducted and will be made available to accredited training providers that meet the requirements. Tasks teams and consultative working groups were established to conduct the review process with the consultative group consisting of a core group selected to apply the changes to the material, and a Task team mandated to review their work.

The task team found that:

- Material in the learner guides did not align with the unit standards.
- Language used was inappropriate to NQF level 3.
- Frequent duplication.
- Exam question were ambiguous.
- There was no logical flow in the presentation of the course.

As a result, the material was aligned with the unit standards and industry requirements. The new material is not just more user friendly, but its new condensed format brought about by the removal of redundant material and shorter course periods, effected significant cost savings.

Learning Programme Development

SASSETA responded to the needs of learners and employers by funding the development of learning material in the form of full qualifications and the identification of skills programmes that link to the critical and scarce skills in our country.

EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)

ETQA funded the development of the following qualifications:

PROGRAMME PROJECTS FOR 1 APRIL 2010 TO 31 MARCH 2011				
CHAMBER	PROJECT	PROVIDER	STATUS	COMMENTS
DEFENCE	SAAF Technical Training Maccaulei - Airforce specific	Maccaulei Learning Academy	100%	Completed and signed off.
	Develop Distance Learning for ENSP	SADEC	95%	Completed-reviewing implementation.
	SA Army Lanward Defence	Bright Idea Projects 447 (PTY) LTD As Mind the Gap	95%	Awaiting report
	Develop Emergency Care Military Elective	Free State Learning Material Design	100%	Completed and signed off.
	SA Navy Curriculum Framework for: 1. Vessel Safety Practices 2. Warship Operations 3. Command and Control 4. Submarine Operations 5. Harbour Watch keeping	Mind-the-Gap	90%	Awaiting closure
	ISOE Defence	SA War College-CAT		Completed
CORRECTIONS	Corrections Science – 64389 Material Development	Eduwrite	100%	Completed and signed off.
JUSTICE	Alignment of Learning Programmes to Unit Standards for: 365239, 365186, 365189, 365199, 365188, 365190, 365184, 365220, 365181.	Khulisane Training Academy	90%	Awaiting review of some material.
PRIVATE SECURITY	Electronic Security Installation Practices Learning Material Development for:	Desto	100%	Completed
			85%	To procure approved materials from Fundamentals.

Capacity building and consultation

Many SMME providers are located in semi-urban and rural areas and are, in many cases, unable to access the various ETQA and Seta processes and functions. ETQA as part of the SASSETA 2011 SDF road shows participated fully in the semi-urban and rural capacity building workshops. The topics of discussion included the role and function of the ETQA, provider accreditation, Extension of scope, submission of learning programmes, assessor, moderator and verifier registration and RPL.

Transfer of LGSETA provider and qualifications

Early in 2011 the South African Qualifications Authority (SAQA) announced their transfer of the qualifications listed below and the associated unit standards to the Safety and Security Sector Education and Training Authority (SASSETA) by 1 April 2011.

NO.	QUALIFICATION TITLE	NQF LEVEL	NLRD NUMBER
1	Further Education and Training Certificate: Road Traffic Management	Level 4	48921
2	Further Education and Training Certificate: Road Traffic Law Enforcement	Level 4	62289

SAQA based this decision on the declaration by the Minister of Higher Education and Training (Government Gazette, Vol. 545, No. 33756, of 11 November 2010), wherein he increased the scope of the Safety and Security Sector Education and Training Authority (SASSETA) to include Metro Police and Traffic Enforcement, previously under the jurisdiction of the Local Government Sector Education and Training Authority (LGSETA).

The transfer included the accreditation to quality assure the qualifications registered on the National Qualifications Framework (NQF) as well as the providers and learners currently in the system associated with them. SASSETA received 12 accredited training providers from LGSeta before 1 April 2011 and will complete their Monitoring and Evaluation before end September 2011.

CORPORATE SERVICES DIVISION

The Corporate Services Division is responsible for building the institutional support of the Seta through provision of Human Resources, Marketing and Communication as well as Information Technology Services. These services support the Seta in achieving its organisational objectives through strategic partnerships with line departments and constant interaction with the Seta stakeholders. The three departments under Corporate Services have their own strategic goals that support organisational growth.

Human Resources Management

The Human Resources Management (HRM) department is responsible for the development and implementation of the SETA's Human Resources Strategy that aims to improve Seta

performance, monitors and manages employee retention and equity trends and sets out the methodology to measure and improve the health and wellness of employees at all levels.

The HRM department developed and approved the Human Resources Strategy during this period and ensured review and approval of 16 Human Resource Policies which currently serve as a Strategic Framework for the implementation of the Human Resource Strategy. The policies have been adequately consulted upon and communicated to all Seta employees. During the past financial year the employment equity plan was implemented consistently with the results set out below:



LEVEL	OCCUPATIONAL CATEGORY	TOTAL	FEMALE				MALE			
			A	C	I	W	A	C	I	W
1	General office worker, junior clerk, machine operator, intern	3	2				1			
2	Clerk, Senior Clerk, Junior Administrator, Receptionist, Typist, Messenger, Call Centre agent, Switchboard Operator	38	30	1	1		4	1	1	
3	Administrator, Senior Administrators (Supervisors), Secretariat, PA to the CEO, Secretary	14	10	1		1	2			
4	Specialist, Bookkeeper, Practitioner, Officer, Professional	18	8			1	8	1		
5	Senior Specialist, Senior Practitioner, Senior Professional, Heads of Departments	11			1	1	6	1	1	1
6	Consultant, Adviser									
7	CEO and Senior Managers	4	1				3			
	Total	88	51	2	2	3	24	3	2	1

A – African I – Indian C – Coloured W – White

Marketing and Communications Department

The Marketing and Communications Department is responsible for the enhancement of the SASSETA's corporate reputation through measureable Integrated Marketing Communications (IMC) programmes and campaigns that grow corporate awareness, build brand equity, synergise return and address organisational objectives.

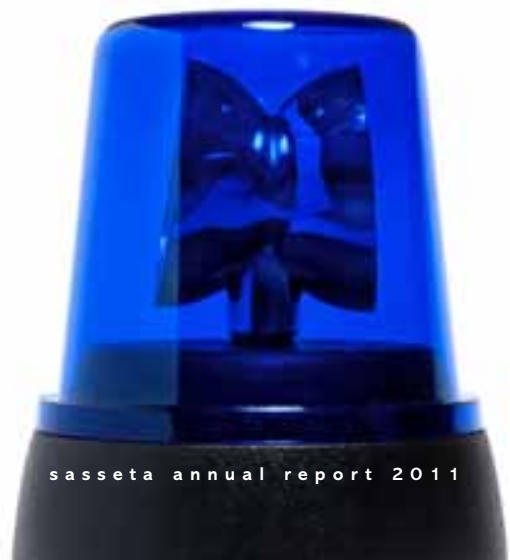
The Marketing and Communications Department (MarCom) consists of a strong team of ten dedicated individuals who are passionate about customer care, improving stakeholder relations and building brand equity. From the Front Line (reception and Switchboard) and Hospitality (Food and Beverage) to the Call Centre (four trained call centre consultants priding themselves on single call resolution and value added service) and two liaison officers who precision manage events and functions. Contrary to their job specifications all MarCom staff cross-function to provide on-going internal and external service so that with the exception of specialist tasks such as the call centre, each team member is able (and willing) to fill in for others at short notice.

MarCom provides a comprehensive marketing and communications service that, over the past two years, evolved from offering primarily event and promotional gift co-ordination to supplying the Seta with strategic marketing direction structured to meet organisational objectives.

Regional awareness

Building corporate awareness with the Seta's various market sectors in the past year, MarCom project managed a variety of industry specific exhibitions (www.sasseta.org.za) that addressed corporate objectives. Events and exhibitions such as national road shows, rural career exhibitions, chamber graduations, organised labour events and corporate functions such as Annual General Meetings are examples of how the department responds to internal and external stakeholder needs and finds opportunities within the target market sectors to increase organisational awareness.

The [Marketing and Communications] department provides a comprehensive marketing and communications service that has, over the past two years evolved from offering mainly event and promotional gift co-ordination to supplying the organisation with a strategic marketing emphasis geared to assisting the organisation to meet its organisational targets.



Publications

Responsible for the design and print of all SASSETA literature, the department produced prominent publications such as the 2010 Annual Report, the Learning Programmes Manual, the SASSETA Handbook and the HR Manual most of which are scheduled for updating in the months to come.

Service improvement externally and internally

The SASSETA Call Centre is now an inbound and outbound facility that allows stakeholders to call in their queries and, in most cases, enjoy a single call resolution. More intricate queries are concluded in one working day. The Call Centre is the hub of stakeholder engagement and, to enhance customer satisfaction, call centre consultants freely share the knowledge gained through their area of organisational specialisation (ETQA, Skills Development and Administration, Projects and Learning Programmes) thus facilitating faster and more professional query resolution while improving overall company efficiency.

Electronic marketing (www.sasseta.org.za)

The new website was launched in March 2010 and although still in development stage, has received positive response from stakeholders as being more interactive and engaging than its predecessor. The site is continuously updated and will in time allow for online video streaming, daily site updates, measurable marketing campaigns and rapid downloads of eBrochures and larger publications such as this Annual Report. Additional services (links to service providers, local and national Government sites, financial institutions, industry experts, etc.), will build positive corporate reputation at each contact point.

Digital marketing

To improve customer relations and ease event logistics, digital marketing was first introduced in the weeks leading up to the 2009 Annual General Meeting and, more recently, implemented successfully prior and post the 2010 national SDF Road Shows resulting in most of the 18 national venues being oversubscribed. Digital marketing is also used to increase market response to newspaper advertisements (Mandatory Grants, WSP deadlines) as it is cost effective, personal (direct mobile phone and email)

communication with our target markets. This corporate reputation and CRM enhancement tool is now an accepted, and even expected, method of communication with our various target markets. Digital marketing was used in conjunction with radio advertising to increase market reach and corporate awareness during the 2010/11 National Road Shows.

Radio commercials

Radio commercials are an effective method of reaching the desired target group. For example, this was demonstrated by the positive attendance at the SDF Road Shows in March 2011.

Media management

The focus on improving media coverage initiated during the national Road Shows paid dividends in that major events and pertinent corporate messages were communicated to a wide range of target markets. Key SASSETA employees were interviewed on regional radio (often in the prescribed language) and because the interviews were negotiated as part of the radio commercial cost, the campaign RO(M)I (Return On Marketing Investment) was significant in terms of national and regional reach.

Display advertising

To drive down above-the-line advertising costs, MarCom rationalised frequency and scope of print display advertising and paid editorials to channel budget to the measurable marketing tactics targeted at key stakeholder sectors.

Looking ahead

The new NSDSIII landscape offers opportunities to take SASSETA's Marketing and Communications Department to a more strategic level. The alignment of the existing IMC strategy to the NSDSIII escalates the level of stakeholder engagement and increases the geographical spread of national awareness and corporate reputation building campaigns and delivers marketing programmes that are relevant, sustainable and meet the changing needs of our target markets.

SASSETA BOARD

EFFECTIVE 1 APRIL 2011



Members of the SASSETA Board:

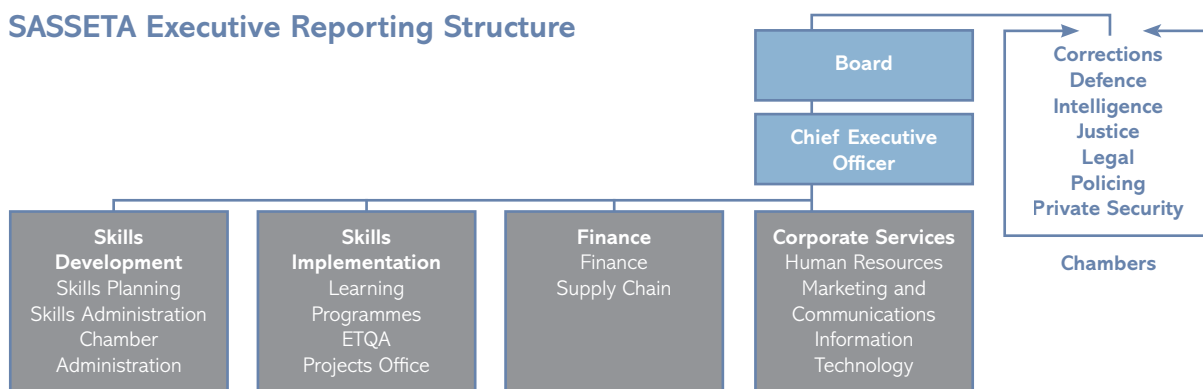
Front row left to right: Brig. Gen. Petra Mari, Ms Linda Bond, Ms Lena Marie Pieterse

Middle row from left to right: Mr Mpopolo Masekela, Mr Zongezile Baloyi (CEO SASSETA), Mr Bhekinkosi Mvovo, Mr Robert Nogumla

Back row from left to right: Mr Luvuyo Mboniswa (CFO SASSETA), Col.Charles Simonse, Ms Michelle Beatson, Dr. Barnet Delpont, Mr Zanoxolo Mpendu, Mr Abbey Witbooi(Chairperson of the Board), Mr Nicholus Maziya

Missing in picture: Mr George Ramotsoto, Mr Michael Makwayiba, Lt. Gen. Nobubele Mbekela

SASSETA Executive Reporting Structure



SASSETA ANNUAL PERFORMANCE REPORT

NSDS objectives for 2010-2011

Objective 1: Prioritising and communicating critical skills for sustainable growth, development and equity.
Grant: Administration Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET (2005-2010)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
1.1 Skills development supports national and sectoral growth, development and equity priorities.	Target is the same for each year from 2005 to 2010 as described under annual target.	Sector Skills Plan is signed off by 31 August 2010.	Sector Skills Plan was signed off by 31 August 2010.	None	R1,500	0	The SSP was signed off within the set time frame.
1.2 Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.	Target is the same for each year from 2005 to 2010 as described under annual target.	350 SDFs or Sector Specialists trained in the use of the guide for the sector for the year.	1 425	+ 1 075	R1,495	R2,255	The SDF roadshows are now an annual feature on the SASSETA calendar and are widely publicized, hence the huge turnout and over-performance on this indicator. Also, almost double the venues were visited this year compared to last year.

SASSETA ANNUAL PERFORMANCE REPORT (CONTINUED)

Objective 2: Promoting and accelerating quality training for all in the workplace.

Grant: Mandatory Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
2.1 By March 2010 at least 80% of large firms and 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.	Target is set annually against the baseline set by the Seta as 80% large firms and 60% medium firms.	The target for the large firms is 160.	176	+ 16	R68,850	R66,881	The SASSETA utilised the services of independent SDFs to reach much more levy-paying companies which were not claiming back, hence the target was surpassed.
		The target for the medium firms is 90.	142	+ 52			The SASSETA utilised the services of independent SDFs to reach much more levy-paying companies which were not claiming back, hence the target was surpassed.
2.2 By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of support measured.	Target is the same for each year from 2005 to 2010 as described under annual target.	80 small levy paying firms to receive WSP/ ATR grants, free courses and support.	362	+ 282	R12,650	R7,014	The SASSETA utilised the services of independent SDFs to reach much more levy-paying companies which were not claiming back, hence the target was surpassed.

Objective 2: Promoting and accelerating quality training for all in the workplace.
Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
2.5 Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.	SETA to set an annually increasing target for the period 2005 to 2010.	Target for the sector is 50 small BEE firms.	59	+ 9	R1,410	R0	An increased awareness amongst stakeholder companies led to an increase in the participation by BEE firms and co-operatives.
		Target for the sector is 5 small BEE co-operatives.	12	+ 7			
2.7 By March 2010 at least 700 000 workers have achieved ABET Level 4.	Target for the period 2005 to 2010 is 4000 learners to enter ABET levels: Level 1: 1000 Level 2: 1000 Level 3: 1000 Level 4: 1000	Target for the sector is 500 learners to enter ABET Level 1.	315	- 185	R10,100	R7,900	Dropping out remains a problem with regards to ABET.
		Target for the sector is 500 learners to enter ABET Level 2.	354	- 146			Dropping out remains a problem with regards to ABET.
		Target for the sector is 500 learners to enter ABET Level 3.	447	- 53			Dropping out remains a problem with regards to ABET.

SASSETA ANNUAL PERFORMANCE REPORT (CONTINUED)

Objective 2: Promoting and accelerating quality training for all in the workplace. (continued)
Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
		Target for the sector is 500 learners to enter ABET Level 4.	902	+ 402			We experienced a high enrolment figure for level 4 because of learners that had successfully completed other levels previously.
		Target for the sector is 250 learners to achieve ABET Level 1	87	- 163			Dropping out remains a problem with regards to ABET.
		Target for the sector is 250 learners to achieve ABET Level 2	116	- 134			Dropping out remains a problem with regards to ABET.
		Target for the sector is 250 learners to achieve ABET Level 3	174	-76			Dropping out remains a problem with regards to ABET.
		Target for the sector is 250 learners to achieve ABET Level 4	339	+89			We experienced a high achievement figure for level 4 because of learners that had successfully completed other levels previously.



Objective 2: Promoting and accelerating quality training for all in the workplace.
Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
<p>2.8 By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.</p>	<p>Target for the sector for the period 2005 to 2010 is 10 530 learners to enter programmes and 5 265 learners to have completed programmes.</p>	1 330 workers to enter learnerships.	1 313	- 17	R41,474	R60,617	Few employed people take up learning opportunities because of the lengthy period of study associated with the programme.
		0 workers to enter MTA Section 13.	0	0			The indicator is not applicable within the sector.
		442 workers to enter MTA Section 28.	212	- 230			Few employed people take up learning opportunities because of the lengthy period of study associated with the programme.
		80 workers to receive bursaries.	101	+ 21			The target was overachieved through increased liaison with stakeholders.
		130 workers to enter internships.	0	- 130			Internships are taken up by employed people.
		2355 workers to enter skills programmes.	3 155	+ 800			There are high enrolment and achievement rates because of the short nature of the programmes.
		665 workers to complete learnerships.	794	+ 129			The target was overachieved through increased liaison with stakeholders.
		0 workers to complete MTA Section 13.	0	0			The indicator is not applicable within the sector.

SASSETA ANNUAL PERFORMANCE REPORT (CONTINUED)

Objective 2: Promoting and accelerating quality training for all in the workplace. (continued)
Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET (‘05-’10)	2010/11 TARGET	2010/11 PERFOR-MANCE	VARIANCE	BUDGET R’000	ACTUAL R’000	COMMENTS
		221 workers to complete MTA Section 28.	75	- 146			Few employed people take up learning opportunities because of the lengthy period of study associated with the programme.
		40 workers to complete bursary programmes.	46	+ 6			The target was overachieved through increased liaison with stakeholders.
		65 workers to complete internships.	0	- 65			Internships are taken up by employed people.
		1 178 workers to complete skills programmes.	1 211	+ 34			There are high enrolment and achievement rates because of the short nature of the programmes.



Objective 3: Promoting employability and sustainable livelihoods through skills development.
Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
3.2 By March 2010 at least 2000 non-levy paying enterprises, NGOs, CBOs, and community based co-operatives supported by skills development. Impact of support on sustainability measured with a target of 75% success rate.	Target for the sector for the period 2005 to 2010 is 168 non-levy paying enterprises, NGOs, CBOs, and community based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.	Target for the sector is 15 NLPE's.	17	+ 2	R300	R2,412	The target was met.
		Target for the sector is 15 NGOs.	29	+ 14			An increased awareness amongst stakeholder companies led to an increase in the participation by NLPEs.
		Target for the sector is 10 CBOs.	0	- 10			An increased awareness amongst stakeholder companies led to an increase in the participation by CBOs.
		Target for the sector is 0 Co-ops.	0	0			An increased awareness amongst stakeholder companies led to an increase in the participation by CO-OPs.

SASSETA ANNUAL PERFORMANCE REPORT (CONTINUED)

Objective 4: Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.

Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET (‘05-’10)	2010/11 TARGET	2010/11 PERFOR-MANCE	VARIANCE	BUDGET R’000	ACTUAL R’000	COMMENTS
4.1 By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	Target for the sector for the period 2005 to 2010 is 10 530 learners to enter programmes and 5 265 learners to have completed programmes.	635 unemployed people to enter learnerships.	1 131	+ 496	R23,547	R44,282	In contrast with workers, the unemployed are always available to take up learnerships, hence the high enrolment rate.
		0 unemployed people to enter MTA Section 13.	0	0			The indicator is not applicable within the sector.
		175 unemployed people to enter MTA Section 28.	100	- 75			The section is relevant to employed people.
		20 unemployed to receive bursaries.	65	+ 45			There was an increased interest from unemployed learners for bursaries programmes in the sector scarce and critical skills.
		30 unemployed people to enter internships.	0	- 30			There was no interest shown in the internships that were made available.
		0 unemployed people to enter skills programmes.	741	+ 741			The skills programmes are popular because of the short nature of the programme hence the high enrolment rate.
		318 unemployed people to complete learnerships.	491	+ 174			In contrast with workers, the unemployed are always available to take up learnerships hence the high achievement rate.

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
		0 unemployed people to complete MTA Section 13.	0	0			The indicator is not applicable within the sector.
		88 unemployed people to complete MTA Section 28.	40	- 48			The section is relevant to employed people.
		10 unemployed people to complete bursary programmes.	0	- 10			Enrolled learners have not as yet completed their programmes.
		15 unemployed people to complete internships.	15	0			The target was achieved.
		0 unemployed people to complete skills programmes.	367	+ 367			The skills programmes are popular because of the short nature of the programme, hence the high achievement rate.



SASSETA ANNUAL PERFORMANCE REPORT (CONTINUED)

Objective 4: Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.

Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
4.2 100% of learners in critical skills programmes covered by the sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.	Target for the sector for the period 2005 to 2010 is 750 learners to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.	Target for the number of learners assisted to gain work experience is 300.	229	- 71	R9,600	R3,460	A new strategy was adopted which saw an increased performance as compared to the previous year.
4.3 By March 2010 at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of the new ventures in operation 12 months after completion of programme.		Target for the sector for the period 2005 to 2010 is 842 young persons are trained and mentored to form new ventures and 589 new ventures are sustainable and in operation 12 months after the completion of the programme.	21	- 19	R2,784	R2,226	The bigger proportion of the sub-sectors is government and the target is not relevant to them.
		Target for the sector is 0 young persons are still in their new ventures 12 months after the completion of the programme.	0	0			The bigger proportion of the sub-sectors is government and the target is not relevant to them.

Objective 5: Improving the quality and relevance of provision.
Grant: Discretionary Grant

SUCCESS INDICATOR	SETA FIVE YEAR TARGET ('05-'10)	2010/11 TARGET	2010/11 PERFORMANCE	VARIANCE	BUDGET R'000	ACTUAL R'000	COMMENTS
5.1 By March 2010 each Seta recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public and private institutions through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.	Target for the sector for the period 2005 to 2010 is 5 institutes.	Target for the sector is 2 institutions.	1	- 1	R100	R191	The target was not achieved due to challenges with accreditation with another ETQA.
5.2 By March 2010 each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institution's success.	Target is set for each year from 2005 to 2010 as described under annual target.	Target for the sector is 1 institution.	0	- 1	R50	R0	The target was not achieved due to challenges with accreditation with another ETQA.
5.3 By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.	Target is set for each year from 2005 to 2010 as described under annual target.	SETA to meet SAQA audit and SAQA National Learners Records Database (NLRD) upload requirements.	NLRD Compliance = Green NLRD Performance = Yellow	Compliance = 0 Performance = -1	R40	R0	The SAQA audit was not conducted for the current reporting period.

REPORT OF THE AUDIT & RISK COMMITTEE

OF SASSETA IN RESPECT OF THE YEAR ENDED 31 MARCH 2011

Report of the Audit and Risk Committee

The Audit & Risk Committee is pleased to present its report for the financial year ended 31 March 2011.

Audit and Risk Committee Responsibility

The Audit & Risk Committee has complied with its responsibilities as stipulated in Section 77 of the Public Finance Management Act 1 of 1999 and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted, with approval from the Board, appropriate formal terms of reference as its Audit Committee Charter.

This Audit Committee Charter has been reviewed on an annual basis to ensure its continuing relevance and effectiveness. The Audit Committee has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Both the Audit & Risk Committee and Internal Audit terms of reference are reviewed and revised on annual basis.

Effectiveness of Internal Controls

The Audit & Risk Committee is of the opinion, based on the information and explanations given by management, the internal auditors, and discussions with the independent external auditors (Auditor-General of South Africa) on the results of its audits, that the internal accounting controls are operating to ensure that the financial records may be relied upon for preparing the Annual Financial Statements, and that accountability for assets and liabilities is maintained.

However, it must be reported that there were incidents where the control system was found to be lacking. More information relating to this can be found in the Accounting Authority's report, Auditor General of South Africa's (AGSA) and the financial statements.

Accordingly, we can report that the system of internal control for the period under review was efficient and effective, except for those areas which were raised by the AGSA.

Evaluation of Annual Financial Statements

The Audit Committee has reviewed and discussed:

- The audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Authority;
- Management letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General of South Africa's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General and has recommended these to the Board for adoption.

Conclusion

In our opinion, based on feedback to Audit & Risk Committee meetings, both general and specific controls have been identified with weak areas for urgent attention. These areas are being addressed and this corrective process must be ongoing and conclusive to mitigate the risk of not achieving SASSETA's agreed strategic objectives. In our opinion, based on feedback to the Audit Committee meetings, the SASSETA's key performance indicators are being monitored within the environmental and cash flow constraints this Seta faces. The SASSETA is achieving in most key performance areas. However, in the under-achieving areas, urgent prioritized attention is needed in the new financial year.

Trevor Boltman CIA

Chairperson of the Audit & Risk Committee

REPORT OF THE AUDITOR GENERAL

TO PARLIAMENT ON THE SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY (SASSETA) FOR THE YEAR ENDED 31 MARCH 2011

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of SASSETA, which comprise statement of financial position as at 31 March 2011, and the statement of financial performances, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and the accounting authority's report, as set out on pages 43 to 97 .

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of SASSETA as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP .

Report on other legal and regulatory requirements

8. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 27 to 37 and material non-compliance with laws and regulations applicable to SASSETA.

Report on predetermined objectives

Reliability of information

9. The reported performance information was deficient in respect of the following criteria:
 - Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.

10. The following audit findings relate to the above criteria:

Reported performance against indicator 2.7 is not accurate when compared to source information

11. For the selected indicator, 33% of the reported targets were not accurate based on the source information or evidence provided.

Compliance with laws and regulations

Annual financial statements, performance and annual report

12. The accounting authority submitted financial statements for auditing that were not prepared in all material aspects in accordance with SA Standards of GRAP as required by section 55(1) (b) of the PFMA. The material misstatements identified by the AGSA with regard to employer grants and projects expenses and payables from non-exchange transactions were subsequently corrected.

Expenditure management

13. The accounting authority did not take effective and appropriate steps to prevent irregular expenditure, as per the requirements of section 51(1) (b)(ii) of the PFMA.

Internal audit

14. The accounting authority did not ensure that an internal audit function was in place for the entire financial year as per requirements of Treasury Regulations 27.2.2. The internal audit function was in place with effect from November 2010

Internal control

15. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to significant deficiencies that resulted in findings on the annual performance report and the findings on non-compliance with laws and regulations included in this report.

Leadership

16. The incurrence of the irregular expenditure was as a result of the lack of effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity.

17. The absence of an internal audit function for a portion of the financial year was as a result of a lack of oversight responsibility by the accounting authority.

Financial and performance management

18. Financial statements were not supported and evidenced by reliable information. As a result accurate financial statements were not prepared, resulting in material corrections to the financial statements.

19. Report on pre-determined objectives is not adequately reviewed for accuracy. As a result errors were identified with the reported information.

Other reports

Investigations

20. SASSETA initiated an investigation in the previous financial that was conducted by an independent consulting firm. The investigation was completed during the current period. The investigation was initiated based on the allegation of interests in contracts by an ex-board member. The investigation resulted in criminal proceedings being instituted against the board member.

Auditor-General

Pretoria

31 July 2011



SASSETA ANNUAL REPORT 2011 FINANCIAL STATEMENTS



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SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING AUTHORITY

FOR THE YEAR ENDED 31 MARCH 2011

1. Composition of SASSETA Board

The composition of non executive SASSETA Board is in line with the provision of section 11 of the Skills Development Act, 1998 which requires that SETAs should carry out their mandate in consultation and co-operation with stakeholders. SASSETA Board, in compliance with the said provisions and as the Accounting Authority, consists of the following members:

Representatives of Board

NAME	DATE												TOTAL
	14-04-10 (SPECIAL BOARD)	07-06-10	30-07-10	13-09-10 (BOARD WORKSHOP)	14-09-10 (BOARD WORKSHOP)	29-09-10	12-11-10 (SPECIAL BOARD)	08-12-10 (BOARD WORKSHOP)	09-12-10 (BOARD WORKSHOP)	10-12-10	25-02-11	31-03-11	
N. Mbekela	1	1	1	-	-	1	1	1	1	-	-	1	8
D. Sibisi	1	1	1	1	1	1	1	1	1	1	1	1	12
G. Kruser *	-	1	-	-	-	-	-	-	-	-	-	-	1
E. Mogotsi	1	1	1	1	1	1	1	1	1	1	1	1	12
D. Masekela	1	1	1	-	1	1	1	1	1	1	1	1	11
A. Maoko	1	1	1	1	1	1	1	1	1	1	1	1	12
P. Nephawe	1	1	1	1	1	1	1	1	1	1	1	1	12
D. Alexander	-	1	1	1	-	-	1	1	-	1	-	1	7
W. Mokoena	1	1	1	-	1	1	-	-	-	-	-	-	5
N. Maharaj **	1	1	1	1	1	1	1	-	-	-	1	-	8
V. Nel	1	1	1	1	1	1	1	1	1	1	1	1	12
E. Boshoff	-	1	1	1	1	1	1	1	1	1	-	1	10
N. Lebaka	-	1	1	1	1	1	1	1	1	1	1	1	11
B. Ntshangase	-	1	-	-	-	-	-	-	-	1	1	-	3
J. Ganger	1	1	-	-	1	1	1	-	-	-	-	-	5
M. Lebaka	-	-	-	1	-	1	1	1	1	1	1	1	8
S. Skhosana	-	1	1	-	-	1	1	-	-	-	1	1	6
X. Mashukuca	-	1	1	1	1	1	1	1	1	1	1	1	11
P. Molefi	-	-	-	-	-	-	1	-	-	-	-	1	2
J. Nel	1	1	1	1	1	1	-	1	1	1	-	-	9
D. Peter ***	1	1	1	1	1	-	1	-	-	-	-	-	6
M.P. Mashibini	1	-	1	1	-	-	-	-	-	-	-	-	3
G. Ramotsoto	1	-	1	-	-	1	1	-	-	1	1	-	6

REPORT OF THE ACCOUNTING AUTHORITY (CONTINUED)

Representatives of Board (continued)

NAME	DATE												TOTAL
	14-04-10 (SPECIAL BOARD)	07-06-10	30-07-10	13-09-10 (BOARD WORKSHOP)	14-09-10 (BOARD WORKSHOP)	29-09-10	12-11-10 (SPECIAL BOARD)	08-12-10 (BOARD WORKSHOP)	09-12-10 (BOARD WORKSHOP)	10-12-10	25-02-11	31-03-11	
A. Smit	1	1	1	1	1	1	1	1	-	1	1	1	11
M.C. Maponyane	1	-	1	1	-	1	1	1	-	1	1	1	9
P. Mari	-	1	1	-	-	1	-	-	-	1	-	-	4
B. Mvovo	-	1	1	1	1	1	1	1	1	1	1	1	11
C. Naidoo	-	-	-	-	-	-	-	-	-	1	1	1	3
X. Nakani	-	-	-	-	-	-	-	-	-	1	-	-	1
C. Simonse	-	-	-	-	-	-	-	1	1	1	1	1	5
L. Duminy	-	-	-	-	-	-	-	1	-	-	-	-	1
T. Boltman****	-	-	-	-	-	-	-	1	1	1	1	-	4
S. Chabane	-	-	-	-	-	-	-	-	1	-	-	-	1
Total	16	22	22	17	16	21	21	19	16	21	19	19	230

* Resigned on 29/09/2010

** Suspended on 10/12/2011 and subsequently relieved of her duties on 25/02/2011

*** Suspended on 12/11/2010

**** Attended in his capacity as chairperson of the Audit & Risk Committee

2. Performance information

SASSETA's performance is measured by the Department of Higher Education and Training against the National Skills Development Strategy II. The Service Level Agreement and Scorecard were signed between SASSETA and the Department of Higher Education and Training. SASSETA has adequate infrastructure which it uses for record keeping and updating purposes, quality and assurance requirements as well as reporting to the Department of Higher Education and Training.

3. Corporate governance

SASSETA is committed to sound and transparent governance that will enhance its relationship with all its stakeholders, build a productive culture of good corporate governance and leadership and embrace corporate practices based on values, integrity, excellence and equity within the organization. SASSETA endorses the Code of Corporate Practices and Conduct as contained in the King III Report where appropriate.

A structured approach is followed for delegation, reporting and accountability, which includes reliance on Board Committees. The Board has approved a constitution that provides guidance to the members in discharging their duties and responsibilities.

SASSETA has eight (8) sub-committees, which assist the Board in discharging its responsibilities. Each Committee operates within its terms of reference and delegated responsibilities. The Board sub-committees are:

3.1 Audit and Risk Committee

- The Committee has an independent role with accountability to both the board and stakeholders.
- The Committee ensures that SASSETA has implemented an effective policy and plan for risk management that will enhance the organisation's ability to achieve its strategic objectives.
- The Committee ensures that the disclosure regarding risk is comprehensive, timely and relevant.
- The Committee does not assume the functions of management, which remain the responsibility of the Chief Executive Officer and other members of senior management.

Representatives of Audit and Risk Committee

Meeting Dates

MEMBER	DATE									TOTAL
	25-05-10	05-07-10	16-07-10	13-08-10	21-09-10	01-11-10	15-11-10	17-11-10	23-02-11	
B. Ntshangase	1	-	-	-	1	-	-	-	-	2
A. Smit	1	1	-	1	1	1	1	1	-	7
T. Boltman *	1	1	1	1	1	1	1	1	1	9
P. Phili * 1	-	-	-	-	-	-	-	-	-	-
T. Sihlaba *	1	1	1	1	1	1	1	1	1	9
Total	4	3	2	3	4	3	3	3	2	27

* Independent non-executive member

1 Resigned on 08/12/2010

3.2 Finance Committee

The Finance Committee consists of seven (7) non-executive members appointed from each Chamber, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). It is chaired by a member representing one of the Chambers. It is responsible for:

- the consideration and recommendation of the annual budget to the Board;
- dealing with such financial matters as referred to the Committee from time to time;
- scrutinising policies with financial implications and making the appropriate recommendation to the Board;
- considering the cash flow and Financial Statements;
- to determine the financial impact of any change to the current structure; and
- to consider changes to the business plan and budget and make recommendations to the Board.

REPORT OF THE ACCOUNTING AUTHORITY (CONTINUED)

Representatives of Finance Committee Meeting Dates

MEMBER	DATE					TOTAL
	25-05-10	27-09-10	25-11-10	21-02-11	24-02-11	
B. Ntshangase	1	-	-	-	1	-
A. Smit	1	1	-	1	1	1
T. Boltman *	1	1	1	1	1	1
P. Phili * 1	-	-	-	-	-	-
T. Sihlaba *	1	1	1	1	1	1
Total	4	3	2	3	4	3

3.3 Remuneration Committee

The Remuneration Committee comprises of seven (7) non executive members appointed by the Board. These members are complimented by the CEO and the CFO, who are ex-officio members and the Chairperson from the Board who chairs this committee. The committee deals with human capital and organizational structure related matters.

Representatives of Remuneration Committee Meeting Dates

MEMBER	DATE											TOTAL
	09-04-10	14-04-10	07-06-10	03-09-10	14-09-10	25-09-10	26-09-10	02-11-10	02-11-10	12-11-10	22-02-11	
D. Peter	1	1	1	-	1	1	1	1	1	1	-	9
A. Maoko	1	1	1	1	1	1		1	1	1	1	11
N. Maharaj	1	1	1	1	1	1	1	1	1	1	-	10
J. Ganger	1	1	1	1	1	1	1	1	1	1	-	10
X. Mashukuca	1	1	1	1	1	1	1	1	1	1	1	11
A. Masoka	1	-	-	1	-	-	-	-	-	-	-	2
G. Ramotsoto	-	-	-	-	-	1	1	1	1	1	-	5
M. Lebaka	-	-	-	-	-	-	-	-	-	-	1	1
Total	6	5	5	5	5	6	6	6	6	6	3	59

3.4 Executive Committee

The Executive Committee (Exco) consists of fourteen (14) non-executive members appointed by the Board, 7 representing the employer and 7 representing organised labour, the CEO (Ex Officio) and the CFO (Ex Officio). Exco serves as a Discretionary Grants Committee as well. Exco is responsible for recommending and reporting business issues to the Board.

Representatives of Exco

Meeting Dates

NAME	28-05-10	27-08-10	26-11-10	TOTAL
G. Kruser	1	-	-	1
E. Mogotsi	1	-	1	2
A. Maoko	1	1	1	3
D. Alexander	1	1	1	3
N. Maharaj	1	1	-	2
V. Nel	1	1	1	3
N. Lebaka	-	-	1	1
X. Mashukuca	-	1	1	2
J. Nel	-	1	1	2
D. Peter	1	1	-	2
M.P. Mashibini	1	-	-	1
G. Ramotsoto	1	1	1	3
M. Lebaka	-	1	1	2
P. Mari	-	1	-	1
L. Mothiba	-	1	-	1
C.N. Mbekela	-	1	1	2
X. Nakani	-	-	1	1
B.W. Mvovo	-	-	1	1
M.C. Maponyane	-	-	1	1
Total	9	12	13	34

REPORT OF THE ACCOUNTING AUTHORITY (CONTINUED)

3.5 Learnership Committee

The Learnership Committee consists of twelve (12) non-executive members appointed by the Board. Six (6) represent employers and six (6) represent organised labour. The CEO is the Ex-Officio member of this committee. The Committee is responsible for recommending and advising on the identification and development of learnerships and qualifications and coordination of learnerships and qualifications in the safety and security sector.

Representatives of Learnership Committee Meeting Dates

NAME	19-05-10	18-08-10	17-11-10	15-02-11	TOTAL
W. Thorpe	1	1	-	1	3
E. Boshoff	1	1	1	-	3
L. Ngcwabe	1	-	1	1	3
A. Maoko	1	1	1	1	4
C. Maponyane	1	1	1	1	4
M. Ntimane	1	-	1	1	3
N.M. Mavuso	1	-	-	-	1
G. Ramotsoto	1	1	1	1	4
C.N. Mbekela	1	-	-	1	2
M. Manganyi	-	-	1	1	2
N. Lebaka	-	1	-	-	1
R. Nfumba	-	1	-	-	1
M.M. Mosima	-	-	-	1	1
Total	9	7	7	9	32

3.6 Sector Skills Plan (SSP) Committee

The Learnership Committee consists of fourteen (14) non-executive members appointed by the Board. Seven (7) represent employers and seven (7) represent organised labour and the CEO and Senior Manager: Skills Planning and Administration are Ex-Officio members of this committee. The Committee is responsible for determining education and training priorities in the safety and security sector.

Representatives of SSP Committee

Meeting Dates

NAME	20-05-10	19-08-10	18-11-10	17-02-11	TOTAL
A.Z. Smit	-	1	1	1	3
N. Mngomezulu	1	1	1	1	4
T.P. Gadisi	-	1	1	-	2
K.G. Mosotho	1	-	1	-	2
B. Mtsweni	1	1	1	-	3
H. Mdineka	-	1	1	1	3
N. Lebaka	1	-	1	-	2
M. Lebaka	-	-	1	-	1
P. Jaji	1	-	-	1	2
W. Thorpe	1	-	-	1	2
C.N. Mbekela	1	-	-	-	1
M. Pieterse	1	-	-	1	2
G.P. Morokong	1	-	-	-	1
P. Mari	1	-	-	-	1
L.P. Hamnca	1	1	-	1	3
W. Mokoena	-	1	-	-	1
S. Hall	-	-	-	1	1
C. Jacobs	-	-	-	1	1
T. Makamaye	-	-	-	1	1
Total	11	7	8	10	36

REPORT OF THE ACCOUNTING AUTHORITY (CONTINUED)

3.7 Education and Training Quality Assurance (ETQA) Committee

The ETQA Committee consists of fourteen (14) non-executive members appointed by the Board. Seven (7) represent employers and seven (7) represent organised labour and the CEO and Senior Manager: Skills Implementation and Monitoring are Ex-Officio members of this committee. The Committee is responsible for recommending to the Board accreditation of providers in the sector for specific standards or qualifications and promoting quality amongst the various constituent providers.

Representatives of ETQA Meeting Dates

NAME	22-04-10	17-08-10	12-10-10	06-12-10	22-02-11	TOTAL
N. Maharaj	1	1	1	-	1	4
C. Naidoo	1	1	1	1	1	5
H. Lebaka	-	-	1	-	1	2
P. Mambo	1	-	1	-	-	2
S. Hall	1	1	1	1	1	5
D. Sibisi	1	1	-	1	1	4
D. Alexander	-	1	-	-	-	1
R.Z. Mphahlwa*	-	-	-	-	-	-
B. Serame*	-	-	-	-	-	-
C.T. Motaung*	-	-	-	-	-	-
L.T. Ntsangani	1	1	1	1	-	4
J. Sithole*	-	-	-	-	-	-
D. Motha*	-	-	-	-	-	-
M.R. Sekotlong	-	1	1	-	1	3
Z. Mpendu	1	1	1	1	1	5
C.C. Laubscher	1	1	1	1	-	4
S. Mandubu	-	-	1	-	-	1
O.B. Digwamaje	-	1	-	-	-	1
Total	8	10	10	6	7	41

* Members that did not attend meetings and were replaced as per SASSETA Constitution

3.8 Bid Adjudication Committee (BAC)

BAC consists of seven (7) non-executive members appointed from Chambers. CEO and CFO are Ex-Officio members of this committee. BAC is responsible for adjudication of bids of at least R500,000 in value and depending on the delegated powers make:

- a final award; or
- a recommendation to the Board to make a final award; or
- make another recommendation to the Board on how to proceed with the relevant procurement.

Representatives of Bid Adjudication Committee

Meeting Dates

MEMBER	19-05-10	23-06-10	18-08-10	19-08-10	01-11-10	01-12-10	15-12-10	11-03-11	28-03-11	TOTAL
D. Masekela	1	-	-	-	1	1	1	1	1	6
C. Simonse*	-	-	-	-	-	1	1	1	1	4
L. Ngowabe	-	-	-	-	1	1	-	1	-	3
J. Ganger	-	-	1	1	-	-	-	-	-	2
T. Modise	1	1	-	-	-	-	-	-	-	2
G. Ramotsoto	1	-	-	-	1	1	-	1	1	5
N. Maharaj	1	1	1	1	1	-	1	-	-	6
C.N Mbekela	1	1	-	-	-	1	1	-	-	4
S. Hall	-	-	1	1	-	-	-	-	1	3
D. Peter	1	1	1	1	1	-	-	-	-	5
Total	6	4	4	4	5	5	4	4	4	40

* Appointed to BAC in December 2010

REPORT OF THE ACCOUNTING AUTHORITY (CONTINUED)

Risk Management and Internal Controls

SASSETA endeavours to minimize risk by maintaining appropriate systems, policies, personnel and controls throughout the organization. A risk assessment exercise was performed during the 2010/2011 financial period to identify areas of risk and to map appropriate controls over the past financial period. The process was facilitated to determine the material risks to which SASSETA was exposed and to evaluate the strategy for managing these risks. SASSETA relied on the outsourced internal audit function and external auditors for independent appraisal of the adequacy and effectiveness of the internal controls. The Audit and Risk Committee, with extensive input from the internal and external auditors, played a major role in assisting Board to assess the adequacy and effectiveness of the accounting system, records and internal controls.

Internal audit

SASSETA has an internal audit function which has been outsourced to Gobodo Forensic and Investigative Accounting (Pty) Ltd who provides the Audit and Risk Committee and Management with reasonable assurance that internal controls are appropriate and effective. SASSETA has appointed Gobodo Forensic and Investigative Accounting (Pty) Ltd to provide internal audit services for 1 (one) year.

Materiality framework

SASSETA has in line with the Public Finance Management Act developed the materiality framework which the Board approved.

Record of meetings: 1st April 2010 to 31st March 2011

SASSETA STRUCTURE	BOARD	AUDIT AND RISK COMMITTEE	FINANCE COMMITTEE	REMUNERATION COMMITTEE	CHAMBER	EXECUTIVE COMMITTEE	LEARNERSHIP COMMITTEE	SSP COMMITTEE	ETQA COMMITTEE	BID ADJUDICATION COMMITTEE
No. of meetings	12	9	5	11	38	3	4	4	5	9

Members of SASSETA Board are remunerated as follows:

A Board member is paid a honorarium of R3,110 per meeting for attending board meetings. An Executive Committee member is paid an honorarium of R2,073.60 per meeting. A committee member is paid R1,555.20 per meeting. The following table outlines Board fees and travel claims paid to members of SASSETA only:

NAME	CHAMBER	BOARD		EXCO		OTHER COMMITTEES (LEARNERSHIP, ETQA, FINANCE, AUDIT, DISCRETIONARY, REMUNERATION COMMITTEE, SSP, BAC & CHAMBERS)	AMOUNT R'000	TRAVEL R'000	TOTAL R'000
		NO.	AMOUNT R'000	NO.	AMOUNT R'000				
N. Mbekela*	Policing	8	-	2	-	8	-	-	-
D. Sibisi	Policing	12	31	-	-	8	12	5	48
G. Kruser*	Policing	1	-	1	-	1	-	-	-
E. Mogotsi	Policing	10	31	2	4	6	9	-	44
D. Masekela	Private security	11	28	-	-	5	8	56	92
A.D. Maoko	Private security	12	31	3	6	8	12	9	58
P. Nephawe	Private security	12	31	-	-	5	8	24	63
D. Alexander	Private security	7	16	3	6	6	9	-	31
W. Mokoena *	Legal	5	-	-	-	3	-	-	-
N. Maharaj	Legal	8	19	2	4	13	20	22	65
V. Nel	Legal	12	31	3	6	8	12	-	49
E. Boshoff	Legal	10	25	-	-	12	19	4	48
N.H. Lebaka	Justice	11	28	1	2	9	14	1	45
B. Ntshangase	Justice	3	-	-	-	5	-	16	16
M. Lebaka	Justice	8	-	2	-	3	-	5	5
J. Ganger	Justice	5	12	-	-	7	11	4	27
X. Mashukuca	Intelligence	11	28	2	4	5	8	9	49
S. Skhosana	Intelligence	6	-	-	-	4	-	6	6
P. Molefi	Intelligence	2	-	-	-	1	-	6	6
J. Nel *	Intelligence	9	-	2	-	4	-	-	-
D. Peter	Defence	6	12	2	4	2	3	5	24
P. Mari *	Defence	4	-	1	-	4	-	-	-

REPORT OF THE ACCOUNTING AUTHORITY (CONTINUED)

NAME	CHAMBER	BOARD		EXCO		OTHER COMMITTEES (LEARNERSHIP, ETQA, FINANCE, AUDIT, DISCRETIONARY, REMUNERATION COMMITTEE, SSP, BAC & CHAMBERS)	AMOUNT R'000	TRAVEL R'000	TOTAL R'000
		NO.	AMOUNT R'000	NO.	AMOUNT R'000	NO.			
H.M. Zobane *	Defence	-	-	-	-	1	-	-	-
B. Mvovo	Defence	11	28	1	-	6	9	6	43
M.P. Mashibini *	Corrections	3	-	1	-	2	-	-	-
G. Ramotsoto	Corrections	6	16	3	6	9	14	-	36
A. Smit	Corrections	11	-	-	-	18	-	30	30
M.C. Maponyane	Corrections	9	25	1	-	9	14	74	113
C. Simonse	Defence	5	16	-	-	8	12	6	34
C. Naidoo	Legal	4	12	-	-	14	22	-	34
Total		221	420	32	42	194	216	288	966

* Members of the Board that do not claim for both travelling and honorarium

Executive Management

During the financial year (2010/11), the Seta Executive Management comprised of the Chief Executive Officer (Mr Z. Baloyi), Senior Manager: Skills Implementation and Monitoring (Mr Solly Ngoasheng), Senior Manager: Skills Development and Administration (Ms T. Mabuza), The Senior Manager Corporate Services (Mrs. N. Qamata) and Chief Financial Officer (Mr L. Mboniswa). Executive Management team is compensated as follows:

2010/2011						
NAME	SALARY R'000	PROVISION FOR PERFORMANCE BONUS R'000	MEDICAL R'000	CAR ALLOWANCE R'000	ENTERTAINMENT R'000	SALARY PACKAGE R'000
Z. Baloyi (CEO)	795	106	-	96	-	997
S. Ngoasheng	709	98	-	60	2	870
L. Mboniswa	669	89	36	48	-	842
T. Mabuza*	530	-	18	80	-	627
N. Qamata **	536	67	29	-	-	632

* Resigned 31 January 2011

** Started on 1 July 2010.

2009/2010						
NAME	SALARY R'000	PROVISION FOR PERFORMANCE BONUS R'000	MEDICAL R'000	CAR ALLOWANCE R'000	ENTERTAINMENT R'000	SALARY PACKAGE R'000
Z. Baloyi (CEO)	718	102	-	96	-	916
S. Ngoasheng	642	88	-	60	2	793
L. Mboniswa	612	86	28	48	-	774
T. Mabuza*	475	86	18	80	-	659

* Started on 1 May 2009.

SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	2010/11 R'000	2009/10 R'000
Revenue			
Non-exchange Revenue			
		194,455	165,769
Skills Development Levy: income	2	192,884	163,921
Skills Development Levy: penalties and interest		1,571	1,848
Exchange Revenue			
		10,390	17,830
Investment Income	3	8,263	14,030
Other Income	4	2,127	3,800
Total Revenue		204,845	183,599
Expenses			
Employer grant and project expenses	5	(201,835)	(163,920)
Administration expenses	6	(66,287)	(55,084)
Total expenses		(268,122)	(219,004)
Net deficit for the year	1	(63,277)	(35,405)

SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	NOTE	2010/11 R'000	2009/10 R'000
Assets			
Current assets			
Trade and Other Receivable – Exchange	9	1,631	563
Trade and Other Receivable – Non exchange	9	2,049	1,928
Inventories	10	493	586
Cash and Cash Equivalents	11	131,249	190,078
		135,422	193,155
Non-current assets			
Property, Plant and Equipment	7	2,572	3,482
Intangible Assets	8	124	443
		2 696	3,925
Total Assets		138,118	197,080
Liabilities			
Current liabilities			
Trade and Other Payable – Non exchange	13	22,939	19,097
Trade and Other Payable – Exchange	13	10,541	10,001
Current portion of finance lease obligations	12	-	192
Provisions	14	2,769	2,645
		36,249	31,935
Non-current liabilities			
Finance Lease Obligations	12	-	-
Total Liabilities		33,680	31,935
Net Assets		101,869	165,145
Represented by:			
Funds and Reserves			
Administration reserve		2,696	3,925
Discretionary reserve		99,173	161,220
Employer grant reserve		-	-
Total		101,869	165,145

SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2011

	ADMINISTRATION RESERVE R'000	EMPLOYER GRANT RESERVE R'000	DISCRETIONARY RESERVE R'000	UNAPPROPRIATED SURPLUS R'000	TOTAL R'000
Balance at 1 April 2009	4,080	-	196,470	-	200,550
Net Deficit per Statement of Financial Performance				(35,405)	(35,405)
Adjustment against Reserves					
Allocation of unappropriated surplus	1,762	20,391	(57,558)	35,405	-
Excess reserves transferred to Discretionary reserve	(1,917)	(20,391)	22,308	-	-
Balance at 31 March 2010	3,925	-	161,220	-	165,145
Net Deficit per Statement of Financial Performance				(63,277)	(63,277)
Allocation of unappropriated surplus	2,696	20,581	(86,553)	63,277	-
Excess reserves transferred to Discretionary reserve	(3,925)	(20,581)	24,506	-	-
Balance at 31 March 2011	2,696	-	99,174	-	101,868

**SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	2010/11 R'000	2009/10 R'000
Cash flows from operating activities			
Operating activities			
Cash receipts from stakeholders		195,120	169,003
Levies, interest and penalties received		192,993	165,203
Other cash receipts from stakeholders		2,126	3,800
Cash paid to stakeholders, suppliers and employees		(260,581)	(211,122)
Grants and project payments		(203,701)	(157,964)
Special projects		-	-
Compensation of employees		(25,813)	(23,370)
Payments to suppliers and other		(31,160)	(29,533)
Inventory		93	(255)
<i>Cash utilised in operations</i>	15	(65,461)	(42,119)
Investment income	3	8,263	14,030
Finance Cost		-	(250)
Net cash outflow from operating activities		(57,198)	(28,339)
Cashflow from investing activities			
Purchase of property, plant and equipment and investment properties	7	(853)	(1,600)
Proceed from disposal of property, plant and equipment		-	-
Net cash outflow from investing activities		(853)	(1,600)
Cash flow from financing activities			
Grants, transfers and funds received	14	-	-
Finance lease payments		(778)	(235)
Increase/(decrease) in reserves		-	-
Increase/(decrease) in others		-	-
Net cash inflow/(outflow) from financing activities		(778)	(235)
Net decrease in cash and cash equivalents		(58 830)	(30,174)
Cash and cash equivalents at beginning of period		190,078	220,252
Cash and cash equivalents at end of period	11	131,249	190,078

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Statement of compliance

The Annual Financial Statements have been prepared in accordance with Generally Recognized Accounting Practices (GRAP) issued by the National Treasury.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (Act no. 29 of 1999).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies are disclosed below.

1.1 REVENUE RECOGNITION

The accounting policy for the recognition and measurement of skills development levy income has further interpreted in line with the Skills Development Act, Act no. 97 of 1998 and the Skills Development Levies Act No. 9 of 2001.

The interpretation allows SETA's to recognise revenue on the receipt of the funds from the Department of Higher Education in the bank account of the SETA or on allocation by Department of Higher Education and Training, whichever comes first.

The revision was completed and issued by National Treasury on the 27th July 2007 and was effective from 1 April 2007.

1.1.1 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 SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS).

80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund).

A net receivable/payable is recognised for levies accrued as well as estimated SARS adjustments. An estimate due to retrospective adjustments by SARS and outstanding levies due at period-end is based on grant overpayments to employers.

SASSETA 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 that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised equal to the amount of such grant over payment, net of bad debts and provision for irrecoverable amounts.

Revenue is adjusted for inter-SETA transfers due to employers changing SETA's. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued by the Department of Labour issued June 2001.

When a new employer is transferred to SASSETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

1.1.2 Interest and penalties

Interest and penalties on the skills development levy are recognised on the receipt of the funds from the Department of Higher Education in the bank account of the SETA or on allocation by Department of Higher Education, whichever comes first.

1.1.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the Financial Statements of SASSETA as a liability until the related eligible special project expenses are incurred, when the liability is utilised the revenue that is recognised as income in the statement of financial performance.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the Financial Statements of SASSETA, as SASSETA controls such assets for the duration of the project. Such assets are disposed of in terms of an agreement and specific written instructions by the NSF.

1.1.4 Government grants and other donor income

Revenue from non exchange transactions

Non exchange transactions are transactions that are not exchange transactions. In a non exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As SASSETA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non exchange transaction is measured at the amount of the increase in net assets recognised by SASSETA.

When, as a result of a non exchange transaction, SASSETA recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Public Finance Management Act (Act No. 29 of 1999) and is recognised when the recovery thereof from the responsible board members or officials is virtually certain.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that SASSETA 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.

1.1.5 Investment income

Investment income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.1.6 Firearm income

SASSETA charges a nominal fee for the administration of the firearm certificates. Revenue received is recognised as income received in advance and only recognised as income on issue of certificates.

1.2 GRANTS AND PROJECT EXPENDITURE

A registered company may recover a maximum of 50% of its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Levies Act 1999 (Act No 9 of 1999).

Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed cut-off period. The grant is equivalent to 50% (2009/10: 50%) of the total levies paid by the employer during the corresponding financial period for the skills planning grant of the total levies paid by the employer during the corresponding financial period for the skills planning grant and the skills implementation grant respectively.

Discretionary grants

A Seta may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. The grant payable and the related expenditure are recognised when the application has been approved and certain performance conditions have been achieved.

Project expenditure

Project expenditure comprise of the following:

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

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Project costs are recognised as expenses in the period in which they are incurred. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

1.3 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

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

- The PFMA,
- The Skills Development Act,

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

All irregular, fruitless and wasteful expenditure are charged against income in the period in which they are incurred.

1.4 PROPERTY, PLANT AND EQUIPMENT

SASSETA recognises assets when it has a control of the resource as a result of the past events and from which future economic benefits or service potential are expected to flow to the entity.

The cost of an item of 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 or fair value of the item can be measured reliably.

Plant and equipment is initially measured at cost.

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use. Depreciation of property, plant and equipment is calculated to write off the cost of the asset to its residual value, on the straight-line basis, over its expected useful life as follows:

- Computer Equipment 3 years to 10 years
- Computer Software / Intangible 3 years to 10 years
- Furniture and Fittings 5 years to 10 years
- Office Equipment 5 years to 10 years
- Vehicles 5 years to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

When an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to SASSETA and the cost of the item can be measured reliably.

Repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred. Borrowing costs are capitalised in accordance with SASSETA policy. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Items of plant and equipment are derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of an item plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such difference is recognised in surplus or deficit when the item is derecognised.

Useful lives and residual values of property, plant and equipment

- The useful lives of property, plant and equipment are reviewed at each balance sheet date. These useful lives are estimated by management based on historic analysis and other available information.
- The residual values of property, plant and equipment are reviewed at each statement of financial position date. The residual values are based on the assessment of useful lives and other available information.
- The carrying amounts of the assets are disclosed in note 7.
- Depreciation rates are limited to the life of the SETA, which in the year under review has been extended by 1 year.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

1.5 INTANGIBLE ASSETS

Acquired computer software licences and computer application packages are capitalised on the basis of the costs incurred and bring to use the specific software. These costs are amortised over their estimated useful lives. Amortisation on these costs is provided to write down the intangible assets, on a straight line basis, over their useful lives as follows:

- Computer software 2 years to 10 years

Expenditure on research is recognised as an expense when it is incurred. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Authority, and that will probably generate economic benefits or service potential exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads. Amortisation commences when the intangible asset is available for use. Computer software development costs recognised as assets are amortised over their estimated useful lives. Internally generated brands are not recognised as intangible assets.

Surplus or deficit on the retirement or disposal of intangible assets, being the difference between the actual proceeds and the carrying amounts of the assets, are recognised in the surplus or deficit in the period in which they occur. The disposal date is determined as the date in which SASSETA has transferred all the significant risk and rewards of ownership, SASSETA does not retain either continuing managerial involvement to the degree associated with ownership or effective control over the goods sold, proceeds on the sales can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to SASSETA and the costs incurred or to be incurred in respect of the transaction can be reliably measured. Amortisation commences when the intangible asset is ready for its intended use. Depreciation of an intangible asset ceases at an earlier of the day the asset is classified as held-for-sale in accordance with GRAP 100 or the date the asset is derecognised. All intangible assets that arise from development are recognised SASSETA can demonstrate that the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it, its ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits or service potential, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and its ability to measure reliably the expenditure attributable to the intangible asset during its development. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method is changed to reflect the changed pattern.

The residual value of an intangible asset with a finite useful life are assumed to be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life; or there is an active market for the asset and such residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life. An intangible asset is derecognised on disposal of such intangible asset or when no future economic benefits or service potential are expected from its use or disposal.

1.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of assets stated in the statement of financial position, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated at the higher of the selling price (less costs to sell) and its value in use. An impairment loss is recognised in the statement of financial; performance whenever the carrying amount exceeds the recoverable amount.

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

In assessing value in use, the expected future cash flows are discounted to their present value using a discount rate, that reflects current market assessments of the time value of money and the risk specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

A previously recognised impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised in previous years.

1.7 LEASING

Finance lease as per the Treasury Regulations 32.2 refer to a contract that transfer the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases. Operating leases with fixed escalation rates are written off over the term of lease agreement.

The Seta as a lessee

Assets held under finance leases and the corresponding liability is recognised at their present value of the minimum lease payments at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the estimated present value of the assets acquired, are charged to the statement of financial performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

1.8 RETIREMENT BENEFIT COSTS

Short Term Employee Benefits

The entity operates a defined contribution plan, the assets of which are generally held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees, taking account of the recommendations of independent qualified actuaries.

The Seta carries no financial obligations after retirement of the employee.

1.9 LIABILITIES

SASSETA recognises a liability when it has a present obligation as a result of past events and the settlement of which will be expected to lead to an outflow of resources embodying economic benefits or service potential.

1.10 CONTINGENT ASSETS

SASSETA discloses a contingent asset where, as a result of past events, it is highly likely that economic benefits will flow to it but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Authority.

1.11 PROVISIONS

Provisions are recognised when the SETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value.

Various assumptions are applied in arriving at the carrying value of provisions that are recognized in terms of the requirements of GRAP 19 specific to Provisions, Contingent Liabilities and Contingent Assets. The carrying amounts of the provisions are disclosed in note 14.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

Management further relies on input from the Group's lawyers in assessing the probability of matters of a contingent nature. Contingent liabilities are disclosed in note 16.

The principal accounting policies adopted in the preparation of these Financial Statements are set out below and are, in all material respects, consistent with those of the previous period, except as otherwise indicated.

1.11.1 Provision for employee entitlements

The cost of other employee benefits (not recognised as retirement benefits – see note VIII above) is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees as at the reporting date. Provisions included in the statement of financial position is provisions for bonuses.

1.11.2 Provisions for grants

Grant payments

A provision is recognised for grant payments once the specific criteria set out in the regulations to the Skills Development Act, 97 of 1998 has been complied with by member companies and it is probable that the SETA will approve the payment. The measurement of the obligation involves an estimate, based on the established pattern of past practice of approval for each type of grant.

Projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitments in the notes to the Annual Financial Statements.

1.12 CONTINGENT LIABILITIES

The contingent liability is disclosed as a contingent liability when SASSETA has a possible obligation arising from past events, the existence of which 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; or it has a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources will be required to settle an obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

1.13 FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are recognised on the SETA's statement of financial position when the SETA becomes a party to the contractual provisions of the instrument.

All "regular way" purchases and sales of financial assets are initially recognised using trade date accounting.

Measurement

Financial instruments are measured at fair value on the date of acquisition, including directly attributable transaction costs and thereafter at amortised costs, unless through profit/loss.

Currency

These Financial Statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated.

Financial liabilities

The SETA's principal financial liabilities are interest bearing borrowings, accounts and other payables and bank overdrafts.

All financial liabilities are measured at amortised cost, comprising original debts less principal payments and amortisations, except for financial liabilities held-for trading and derivative liabilities, which are subsequently measured at fair value.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net surplus or deficit in the period in which it arises.

De-recognition

A financial asset or a portion thereof is derecognised when Seta realises the contractual rights to the benefits specified in the contract, the rights expire, the Seta surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On de-recognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net profit or loss for the period.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharge, cancelled, or expires. On de-recognition, the difference between the carrying amount of the financial liability, including related unamortized costs, and the amount paid for it is included in the net profit or loss for the period.

Fair value considerations

The fair values at which financial instruments are carried at the statement of financial position date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values have been estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the Seta could realise in the normal course of business.

Off-setting

Financial assets and financial liabilities are offset if there is any intention to realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

1.14 COMPARATIVE FIGURES

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

1.15 CONSUMABLE INVENTORY

Consumables are recognised as an asset on the date of acquisition and it is measured at the cost of the acquisition. Subsequently, inventories are measured at the lower of cost or net realisable value.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

1.16 RESERVES

Equity is sub-classified in the statement of financial position between the following funds and reserve

	2010/11 R'000	2009/10 R'000
Administrative Reserve	2,696	3,925
Employer Grant Reserve	-	-
Discretionary Reserve	99,173	161,220
Capitalisation Reserve	-	-
Revaluation Reserve	-	-
Unappropriated surplus		
	101,869	165,145

	2010/11 %	2009/10 %
Administration costs of the Seta	10	10
Employer Grant Fund Levy	50	50
Mandatory Workplace Skills Planning Grant	50	50
Mandatory Workplace Skills Implementation Grant	-	-
Discretionary grants and projects	20	20
	80	80

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to pay for its administration costs. Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects. Other income received. The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above (include basis of movement).

1.17 RELATED PARTIES TRANSACTIONS

SASSETA operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of SASSETA, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. SASSETA regards all individuals at senior management as key management per the definition of the financial reporting standard.

Close members of the family of key management personnel are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with SASSETA.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1. Allocation of net surplus for the year to reserves :

	TOTAL PER STATEMENT OF FINANCIAL PERFORMANCE	ADMINISTRATION RESERVE	EMPLOYER GRANTS RESERVE			DISCRETIONARY GRANTS	SPECIAL PROJECTS	SETA PROJECTS	TOTAL DISCRETIONARY
			MANDATORY SKILLS PLANNING GRANT	MANDATORY SKILLS IMPLEMENTATION GRANT	TOTAL				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Total revenue	204,845	68,983	22,508	67,523	90,031	35,997	-	9,834	45,832
Skills development levy: income									
Admin levy income (10%)	66,856	66,856	-	-	-	-	-	-	-
Grant levy income (70%)	126,028	-	22,508	67,523	90,031	35,997	-	-	35,997
Skills development levy: penalties and interest	1,571	-	-	-	-	-	-	1,571	1,571
National Skills Fund Income	-	-	-	-	-	-	-	-	-
Investment Income	8,263	-	-	-	-	-	-	8,263	8,263
Other income	2,127	2,127	-	-	-	-	-	-	-
Total expenses	268,122	66,287	-	69,450	69,450	-	-	132,385	132,385
Administration expenses	66,287	66,287	-	-	-	-	-	-	-
National Skills Fund Expenses	-	-	-	-	-	-	-	-	-
Employer grants and project expenses	201,835	-	-	69,450	69,450	-	-	132,385	132,385
	(63,277)	2,696	22,508	(1,927)	20,581	35,997	-	(122,550)	(86,553)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

2. Skills development levy income

The total levy income per the Statement of Financial Performance is as follows:

	2010/11 R'000	2009/10 R'000
Levy income: Administration	66,856	53,047
Levies received	66,856	53,047
Levies received from SARS	17,868	15,721
Government levies received	48,864	37,287
Inter-SETA transfers in	124	39
Inter-SETA transfers out	-	-
	-	-
Levy income: Employer Grants	90 031	79,176
Levies received	90 031	79,176
Levies received from SARS	89,449	78,983
Inter-SETA transfers in	582	193
Inter-SETA transfers out	-	-
	-	-
Levy income: Discretionary Grants	35,997	31,698
Levies received from SARS	35,997	31,698
Levies received	35,745	31,621
Inter-SETA transfers in	252	77
Inter-SETA transfers out	-	-
	-	-
	192,884	163,921

	2010/11 R'000	2009/10 R'000
3. Investment income		
Interest received on bank deposits	8,263	14,030
	8,263	14,030
4. Other income		
Other income comprises:		
Revenue from supporting services rendered by SASSETA	2,055	3,748
Losses recovered	18	11
Donations Income	1	41
Discount Received	53	-
	2,127	3,800
5. Employer grant and project expenses		
Mandatory grants	69,450	58,784
- Disbursed	68 836	53,504
- Movement in Provisions and Accruals	614	5,280
Project Expenditure	132,385	105,136
- Disbursed	132,363	104,179
- Movement in Provisions and Accruals	22	957
	201,835	163,920
5.1 Project expenditure consists of:		
Direct project costs	132,385	105,136
	132,385	105,136

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

	2010/11 R'000	2009/10 R'000
6. Administration expenses		
Depreciation	1,749	2,579
Amortisation	319	356
Loss on disposal of property, plant and equipment	14	57
Impairment losses on property, plant and equipment	-	-
Operating lease rental (minimum lease payments)	2,548	2,485
Buildings	2,548	2,485
Maintenance, repairs and running costs	2,165	2,894
Property and buildings	555	991
Machinery and equipment	1,545	1,866
Other	65	37
Advertising, marketing and promotions, communication	5,888	5,226
Entertainment	170	143
Consultancy and service provider fees	3,276	502
Legal fees	2,432	125
Cost of employment	6.1 25,936	23,425
Travel and subsistence	4,594	3,550
Staff training and development	629	610
Remuneration to members of the accounting authority	966	404
Remuneration to members of the audit committee	713	140
Remuneration to members of other committees	480	-
External auditor's remuneration	1,626	1,438
Audit fee	1,626	1,438
Bad Debts	-	230
Other :	12,782	10,925
Other expenses	2,198	775
Telephone and Fax	830	737
Insurance	178	187
Meetings and Workshops	3,684	2,510
Interest Paid	-	250
Recruitment	329	304
Stationery and Printing	1,044	1,075
Subscriptions and Publications	91	160
Secretarial Fees	255	319
Fire arm Expenses	1,019	1,375
Accommodation & Meals	1,991	1,403
Administrative Expense	445	835
Internal Audit Fees	718	995
	66,287	55,084

6.1 Cost of employment

	2010/11 R'000	2009/10 R'000
Salaries and wages	22,130	20,556
Basic salaries	19,005	17,669
Performance Bonuses	2,765	2,642
Other non-pensionable allowance	-	-
Leave payments	359	239
Overtime payments	1	6
Social contributions	3,806	2,870
Medical aid contributions	1,321	996
Pension contributions: defined contribution plans	2,364	1,076
UIF	121	102
	25,936	23,425
Allocation of cost of employment		
Administration expenses	6 25,936	23,425
	25,936	23,425
Average number of employees	93	89

7. Property, plant and equipment

For the year ended 31 March 2011

	COST R'000	ACCUMULATED DEPRECIATION/ IMPAIRMENT R'000	CLOSING CARRYING AMOUNT R'000
Computer Server	1,872	(1,281)	591
Computer equipment	4,987	(4,234)	753
Office furniture and fittings	3,501	(2,401)	1,100
Office equipment	2,184	(2,184)	-
Motor vehicles	487	(359)	128
Balance for the year ended	13,031	(10,459)	2,572
Made up as follows:			
- Owned assets	10,847	(8,275)	2,572
- Lease assets	2,184	(2,184)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

7. Property, plant and equipment (continued)

For the year ended 31 March 2010

	COST R'000	ACCUMULATED DEPRECIATION/ IMPAIRMENT R'000	CLOSING CARRYING AMOUNT R'000
Computer server	1,872	(906)	965
Computer equipment	4,569	(3,667)	902
Office furniture and fittings	3,139	(1,886)	1,253
Office equipment	2,184	(2,046)	137
Motor vehicles	487	(262)	225
Balance at end of period	12,250	(8,769)	3,482
Made up as follows:			
- Owned assets	10,067	(6,723)	3,345
- Lease assets	2,183	(2,046)	137

Movement summary 31 March 2011

	OPENING CARRYING AMOUNT 2010 R'000	ADDITIONS R'000	DISPOSALS R'000	DEPRECIATION/ AMORTISATION/ CHARGE R'000	IMPAIRMENT LOSSES (RECOGNISED)/ REVERSED R'000	ACCUMULATED DEPRECIATION ON DISPOSALS R'000	CLOSING CARRYING AMOUNT 2011 R'000
Computer Server	965	-	-	(374)	-	-	591
Computer equipment	901	474	(56)	(611)	-	44	752
Office furniture and fittings	1,252	379	(17)	(529)	-	15	1,100
Office equipment	138	-	-	(138)	-	-	-
Motor vehicles	226	-	-	(97)	-	-	129
Balance for the year ended	3,482	853	(73)	(1,750)	-	59	2,572

Movement summary 31 March 2010

	OPENING CARRYING AMOUNT 2009 R'000	ADDITIONS R'000	DISPOSALS R'000	DEPRECIATION/ AMORTISATION/ CHARGE R'000	IMPAIRMENT LOSSES (RECOGNISED)/ REVERSED R'000	ACCUMULATED DEPRECIATION ON DISPOSALS R'000	CLOSING CARRYING AMOUNT 2010 R'000
Computer Server	1,291	47	-	(373)	-	-	965
Computer equipment	1,123	684	(402)	(856)	-	353	902
Office furniture and fittings	1,364	401	(25)	(510)	-	22	1,253
Office equipment	412	469	-	(743)	-	-	137
Motor vehicles	322	-	-	(97)	-	-	225
Balance for the year ended	4,513	1,600	(427)	(2,579)	-	375	3,482

8. Intangible assets

	HISTORICAL COST R'000	ACCUMULATED AMORTISATION/ IMPAIRMENT R'000	CLOSING CARRYING AMOUNT R'000
For the year ended 31 March 2011			
Computer Software	2,553	(2,429)	124
Balance at end of period	2,553	(2,429)	124
Made up as follows:			
- Owned assets	2,553	(2,429)	124
For the period ended 31 March 2010			
Computer Software	2,553	(1,754)	799
Balance at end of period	2,553	(1,754)	799
Made up as follows:			
- Owned assets	2,553	(1,754)	799

Movement summary 31 March 2011	OPENING CARRYING BALANCE 2010 R'000	ADDITIONS R'000	DISPOSALS R'000	AMORTISATION CHARGE R'000	ACCUMULATED AMORTISATION ON DISPOSALS R'000	CLOSING CARRYING AMOUNT 2011 R'000
Computer Software	443	-	-	(319)	-	124
Balance for the year ended 31 March 2011	443	-	-	(319)	-	124

Movement summary 31 March 2010	OPENING CARRYING BALANCE 2010 R'000	ADDITIONS R'000	DISPOSALS R'000	AMORTISATION CHARGE R'000	ACCUMULATED AMORTISATION ON DISPOSALS R'000	CLOSING CARRYING AMOUNT 2011 R'000
Computer Software	799	-	-	(356)	-	443
Balance for the year ended 31 March 2010	799	-	-	(356)	-	443

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

	NOTE	2010/11 R'000	2009/10 R'000
9. Trade and other receivables			
Skills development levy debtors		981	73
Admin levy debtors		-	9
Employer grant levy debtors		-	45
Discretionary grant		-	18
Irregular Expenditure debtors	20	981	-
Employer receivables	9.1	2,049	1,856
Operating Debtors			
Interest receivable		624	268
Staff debtors		26	21
Prepaid Expenses		-	274
		3,680	2,491

9.1 Trade and other receivables

<i>Employer receivable</i>	-	-
Overpayment to employers	2,049	1,856
Net effect of SARS retrospective adjustments on affected employers	2,049	1,856

During the year, R2,049,000 was recognised as a receivable relating to the overpayment to the employer in earlier periods, and is based on the amount of such grant over payments.

10. Inventories

Opening carrying amount	586	331
Amounts utilised	(1,038)	(601)
Purchases	945	856
Inventories at year end	493	586

11. Cash and cash equivalents

	2010/11 R'000	2009/10 R'000
Cash at bank and in hand	32,522	52,828
Cash at bank	32,520	52,825
Cash on hand (Petty cash)	2	3
Short term investment/instrument	98,727	137,250
Cash and cash equivalents as at year end	131,249	190,078

As required in Treasury Regulation 31.2, National Treasury approved financial institutions where the bank accounts are held. The weighted average interest rate on short-term bank deposits was 6% (2010: 6%)

12. Finance lease obligations

Reconciliation between the total of the minimum lease payments and the present value

Up to 1 Year

Future minimum lease payments	-	199
Finance cost	-	(7)
Present value	-	192

1 to 5 Years

Future minimum lease payments	-	-
Finance cost	-	-
Present value	-	-

Analysed for financial reporting purposes:

Non-current finance lease liability (payable after a year)	-	-
Current finance lease liability (payable during next financial year)	-	192
Finance lease liability	-	192

13. Trade and other payables

Skills Development Grants Payable – Mandatory	19,365	15,156
Exempt employers	3,498	3,362
Opening balance	3,362	3,669
Additions	1,146	915
Reversals	(1,010)	(1,222)
Discretionary grant payables	6,214	6,211
Income received in advance	76	579
Leave accrual	957	917
13th Cheque Bonus Accrual	299	270
Sundry payable	113	890
Service provider fees outstanding	2,959	1,713
	33,481	29,098

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

	2010/11 R'000	2009/10 R'000
14. Provisions		
Employee Performance Bonus		
Balance at 01 April 2010	2,645	2,587
Change in estimate	1,406	1,974
Amount utilised	(1,282)	(1,916)
Closing carrying amount	<u>2,769</u>	<u>2,645</u>
Current	<u>2,769</u>	<u>2,645</u>
Total	<u>2,769</u>	<u>2,645</u>

The performance bonus provision is based on all the employees and calculated on the gross salary packages.

15. Reconciliation of net cash flow from operating activities to net surplus

Net (deficit) / surplus as per Statement of Financial Performance	(63,277)	(35,405)
Adjusted for non-cash items:		
Depreciation	1,749	2,579
Amortisation	319	356
Loss on disposal of property, plant and equipment	14	52
Straight lining of lease payments	779	199
Impairment losses on property, plant and equipment	-	-
NSF grant received not recognised as revenue	-	-
Government grant received/used	-	-
Increase in provisions	123	55
Relating to employment	123	55
Relating to other	-	-
Adjusted for items separately disclosed		
Interest received	(8,263)	(14,030)
Special project income recognised	-	-
Interest paid	-	250
Adjusted for working capital changes :		
(Increase)/Decrease in receivables	(1,189)	(840)
Increase/Decrease in payables	4,192	4,920
Increase in inventory	93	(255)
Cash utilised in operations	<u>(65,481)</u>	<u>(42,119)</u>

16. Contingencies

There is an employee who resigned and took SASSETA to the CCMA and the case is still pending. The total exposure to SASSETA is R80,000.

There is a civil claim by a company that took SASSETA to court and the estimated amount is R50,000.

There is also the pending CCMA case of the ex CEO. The total exposure to SASSETA is R100,000.

The possibility of an outflow of resources embodying economic benefits is remote in the above cases.

17. Commitments

Discretionary reserve

The projects will be funded from the Discretionary Reserve. Out of the balance of R101.9 million available in the reserves at the end of 31 March 2011, R101.4 million has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury.

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2010 Voluntary Training Programme	4.1	1,000	(1,000)	-	-	-	-	-	-
ABET	2.7	20,454	(7,698)	12,756	2,600	-	15,356	(9,007)	6,350
ABET Research - Private Security	n/a	90	(18)	72	-	-	72	-	72
Accreditation of Language Services	n/a	44	-	44	-	-	44	-	44
Accreditation of Providers	n/a	617	-	617	-	-	617	-	617
Action Plan - Private Security	2.8	1	(1)	-	-	-	-	-	-
Air conditioning & Refrigeration	2.8 & 4.1	988		988	-	-	988	-	988
Ambulance - Defence	2.8	75	(1)	74	-	-	74	-	74

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

17. Commitments (continued)

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ambulance Emergency Assistant Training	2.8 & 4.1	597	(247)	350	-	-	350	-	350
Artisan Training	2.8 & 4.1	18,794	(11,990)	6,804	1,179	-	7,983	(5,329)	2,654
Aspirant Prosecutor Unit Standard Scooping Programme	2.8	300	(300)	-	-	-	-	-	-
Assessment Criteria & database	2.8	4	(4)	-	-	-	-	-	-
ODT Skills Programmes	2.8	11,184	(6,603)	4,581	2,090	-	6,671	(6,282)	389
Auxiliary Social Workers - Correction	4.1	1,768	(1,139)	628	-	-	628	(153)	475
Basic Accounting and commercial skills - Private Security	2.8	1,029	-	1,029	-	-	1,029	-	1,029
Bursary Schemes	2.8	4,228	(1,585)	2,643	1,903	-	4,546	(4,330)	216
Candidate Attorney NQF 7	4.1	3,622	(549)	3,073	-	-	3,073	-	3,073
Candidate Attorney NQF 7 Justice & Legal	4.1	2,800	-	2,800	-	-	2,800	(2,665)	135
Career Briefing	4.1	100	-	100	-	-	100	(40)	60
Caring and Socialisation of service dogs - SAPS	2.8	180	-	180	-	-	180	(180)	-
Close Protection Skills Programmes	2.8	3,075	(394)	2,681	-	-	2,681	(1,786)	896
Conduct a Disciplinary Hearing - Private Security	2.8	50	(50)	-	-	-	-	-	-
Conduct Outcome Based Assessments, Facilitation	2.8	71	(71)	-	100	-	100	-	100

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Conflict Resolution	2.8	15	(15)	-	-	-	-	-	-
Contact Centre Learnership	4.1	3,869	(3,389)	480	-	-	480	(432)	48
Court Interpretation Learnership	2.8	5,822	(1,163)	4,659	-	-	4,659	(908)	3,751
Court Services Management L/Ship NQF 5	2.8 & 4.1	448	(21)	328	-	-	328	-	328
Crime Resolving NQF 5	2.8	2,225	(737)	1,488	-	-	1,488	(787)	701
Customise Existing EPM	n/a	175	-	175	-	-	175	-	175
Design & Develop E-Learning Material	n/a	346	(138)	208	-	-	208	-	208
Develop Learning Path for Defence	n/a	2	-	2	-	-	2	-	2
Develop Assessments - ETQA	n/a	988	(29)	959	-	-	959	(573)	386
Develop Learning Material	n/a	217	(217)	-	-	-	-	-	-
Develop Moderation Systems	n/a	2,315	-	2,315	100	-	2,415	(1,198)	1,217
Development of Training Material	n/a	1,520	(17)	1,303	106	-	1,409	(849)	560
Document Archiving Management System	n/a	2,904	-	2,904	-	-	2,904	-	2,904
Drafting Modules - SANDF College Programme	n/a	454	(45)	409	-	-	409	(363)	46
Driving Skills Programme - Defence	2.8 & 4.1	242	(183)	59	450	-	509	(394)	115

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

17. Commitments (continued)

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Electronic Security	2.8	4,620	(386)	4,234	675	-	4,909	(1,614)	3,295
Emerging Management	2.8	400	-	400	350	-	750	-	750
Establishment of ETDP Centers	n/a	200	-	200	-	-	200	(86)	115
Events Management - Private Security	4.1	177	-	177	-	-	177	-	177
Family Law Learnership	2.8 & 4.1	4,167	(237)	3,930	-	-	3,930	(862)	3,068
Forensic Science NQF 5	2.8	953	-	953	400	-	1,353	(787)	565
Forensic Auditing		-	-	-	1,213	-	1,213	-	1,213
Forensic Investigation		-	-	-	600	-	600	-	600
GSO Practices	2.8 & 4.1	20,031	(12,544)	7,487	13,603	-	21,090	(15,542)	5,548
Helicopter Pilots	4.1	4,690	(1,424)	3,266	-	-	3,266	(1,775)	1,491
HRM Learnership	2.8	1,749	(350)	1,399	3,200	-	4,599	(3,120)	1,479
Information Technology L/ship	2.8	2,237	-	2,237	8	-	2,245	(627)	1,618
Internal Auditing Learnership Development	n/a	189	(83)	106	-	-	106	(63)	43
Internship Programme	4.1	10,359	(5,315)	5,044	1,404	-	6,448	(5,887)	561
ISOE Support - SAPS	5.1	1,175	(96)	1,079	50	-	1,129	(191)	938
IT Learnership - SAPS & Justice	2.8	2,170	(1,838)	333	1,600	-	1,933	(298)	1,635
Judicial Skills	2.8	1,200	-	1,200	130	-	1,330	(610)	720

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Labour Relations Skills Programme - Corrections	2.8	215	(215)	-	-	-	-	-	-
Labour Relations Skills Programme - Private Security	2.8	653	(393)	260	3,900	-	4,160	(3,769)	390
Learner Course Material / Guide	n/a	172	(172)	-	-	-	-	-	-
Learnership Implementation / Placements	n/a	58	-	58	-	-	58	-	58
Learning Material - Corrections	n/a	399	(239)	160	-	-	160	(160)	-
Learning Material - Justice	n/a	400	(400)	-	-	-	-	-	-
Learning Material ECT Military Electives	n/a	248	(124)	124	-	-	124	(124)	-
Legal Internship Programme	4.1	2,879	(1,088)	1,791	-	-	1,791	-	1,791
Legal Update Programme	2.8	616	-	616	350	-	966	(880)	86
Life Skills - Private Security	2.8	199	(199)	-	-	-	-	-	-
Locksmiths (Framework and Learning material)	2.8	4,137	(1,322)	2,815	-	-	2,815	(1,556)	1,260
Management Team Performance - Private Security	2.8	18	(18)	-	-	-	-	-	-
Maritime - Defence	n/a	1,385	(672)	714	-	-	714	-	714

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

17. Commitments (continued)

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Marketing and Communication - Private Security	2.8	213	(160)	53	-	-	53	(53)	-
Motor Mechanics	2.8	626	(542)	84	-	-	84	-	84
Nat Cert in Navigation	2.8	200	-	200	-	-	200	-	200
Nat Cert in Public Sector - Accounting Learnership	2.8	1,141	(742)	400	1,250	-	1,650	(850)	800
New Venture Creation - Corrections	4.3	5,678	-	5,678	-	-	5,678	-	5,678
New Venture Creation - Defence	4.3	1,800	(1,357)	443	-	-	443	(165)	278
New Venture Creation - Legal	4.3	5,219	(4,217)	1,002	-	-	1,002	(28)	974
New Venture Creation - Private Security	4.3	6,336	(2,988)	3,348	1,592	-	4,940	(815)	4,125
New Venture Creation - SAPS	4.3	14,344	(10,560)	3,784	-	-	3,784	(1,218)	2,566
NGO/CBO/NPLE/ Co-operatives/SMME/ BEE	3.2	12,022	(6,995)	5,027	4,737	-	9,764	(9,698)	66
NPA HR Finance Internship Programme	4.1	1,080	(304)	776	-	-	776	(451)	325
NPA Internship Programme	2.8	1,080	(344)	736	-	-	736	-	736
Numeracy Training	2.8	560	(40)	520	100	-	620	(410)	210
OD-ETD	2.8	235	(141)	94	539	-	663	(470)	-163
Paralegals NQF 5	2.8	2,200	(218)	1,983	1,740	-	3,723	(2,607)	1,115

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Paralegals Skills Programme	2.8	294	(294)	-	-	-	-	-	-
Project Management	2.8	936		936	140	-	1,076	(900)	176
Short Courses	2.8	8,004	(3,113)	4,891	8,373	-	13,264	(13,055)	209
Public Administration Learnership	2.8	4,432	(2,047)	2,385	4,940	-	7,325	(7,178)	147
RPL Assessment - Policing	4.1	1,347	(447)	900	1,180	-	2,080	(54)	2,026
RPL Private Security	4.1	100	(4)	97	1,880	-	1,977	(522)	1,455
SAAF Artisan RPL Programme	4.1	1,394	-	1,394	-	-	1,394	(120)	1,274
SAAF Aviation Protection Training	4.1	812	(103)	709	-	-	709	-	709
SAAF Technical Training	4.1	210	-	210	-	-	210	-	210
Safety and Security - Private Security	4.1	76	(76)	-	-	-	-	-	-
SAPS Skills Programme	2.8	45	-	45	-	-	45	-	45
Service Combat Support	n/a	200	-	200	-	-	200	-	200
SGB Facilitation	n/a	210	-	210	-	-	210	-	210
Skills Audit GSO Learners	n/a	383	(284)	99	-	-	99	-	99
Skills Development Facilitator - Police	2.8	855	(855)	-	-	-	-	-	-
Legal Programmes	2.2	11,659	(1,808)	9,851	-	-	9,851	(5,274)	4,577

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

17. Commitments (continued)

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Specialised legal writing for the NPA - Justice	n/a	572	(411)	160	-	-	160	-	160
Stop Fire Emergency Care Service	2.8	499	(200)	299	-	-	299	(200)	100
Strategic Intelligence Qualification	2.8	50	-	50	-	-	50	-	50
Structured Learning Programme	n/a	48	-	48	-	-	48	-	48
Supervisory Techniques - Private Security	2.8	35	(35)	-	-	-	-	-	-
Support staff Training	2.8	1,500	-	1,500	600	-	2,100	(1,972)	128
Title Matrix for SA Army	n/a	600	-	600	-	-	600	-	600
Trade Test Training - SAPS	2.8	2,982	(134)	2,849	-	-	2,849	(66)	2,783
Trademark Practise NQF7	2.8	921	-	921	-	-	921	(50)	871
Training 100 Policing: HRM (NQF4) Learnership	2.8	1,000	-	1,000	-	-	1,000	-	1,000
Unit Standards Workshop	n/a	60	-	60	-	-	60	-	60
Workplace Experience	4.2	3,550	(1,825)	1,725	6,440	-	8,165	(6,904)	1,261
Control Room Operators SP	2.8	-	-	-	427	-	427	(404)	24
Automotive Repairs and Autotronics NQF3 LS	2.8 & 4.1	-	-	-	4,279	-	4,279	(2,567)	1,712
Defence & Security Management	4.1	-	-	-	638	-	638	(638)	-

COMMITMENTS APPROVED AND CONTRACTED	NSDS OBJECTIVES AND INDICATORS	OPENING BALANCE 2009/10	UTILISED - 2009/10	CLOSING BALANCE 2009/10	APPROVED AND CONTRACTED	APPROVED BUT NOT YET CONTRACTED	TOTAL COMMITMENTS	UTILISED 31 MARCH 2011	TOTAL COMMITMENTS AT 31 MARCH 2011
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Analyst Notebook – Police	n/a	-	-	-	1,000	-	1,000	(600)	400
Specialist Security Practice L/Ship	2.8 & 4.1	-	-	-	2,195	-	2,195	(953)	1,242
National Diploma in Police	2.8	-	-	-	480	-	480	(312)	168
Grade A & B Management	2.8	-	-	-	-	840	840	-	840
Mediation	2.8	-	-	-	800	-	800	-	800
Family Court	2.8 & 4.1	-	-	-	200	-	200	-	200
Company Law	2.8	-	-	-	450	-	450	-	450
Workshops	3.2	70	-	70	1,362	-	1,432	(581)	851
Labour Law	2.8	94	(94)	-	440	-	440	(47)	393
Accreditation of NPA & Learning Programme	n/a	-	-	-	230	-	230	-	230
New Manager Programme	2.8	-	-	-	600	-	600	-	600
Early Childhood Development	3.2	-	-	-	100	-	100	-	100
Fraud Risk Management	2.8	-	-	-	350	-	350	-	350
Emotional Intelligence	2.8	-	-	-	525	-	525	-	525
Auctioneering	2.8	-	-	-	690	-	690	-	690
Total		253,762	(105,138)	148,624	84,288	840	233,752	(132,385)	101,367

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

18. Leases

Total of future minimum lease payments under non-cancellable leases:	OPERATING LEASE R'000	FINANCE LEASE R'000	2010/11 R'000 TOTAL	2009/10 R'000 TOTAL
Not later than one year	425	-	425	2,667
Later than one year and not later than five years		-	-	2,683
	425	-	425	5,360

SASSETA has one operating lease in operation namely:

Operating Leases

- a) The first operating lease relates to Premises used for office accommodation. The lease agreement was entered into effective from 01 October 2005 and initially for a period of four years, expiring on 31 March 2009. Provision was made for an option to renew the lease for a further two periods on expiry. This lease was revised because we took up more additional space as from 01 February 2008. On 01 April 2010 more office space was acquired. The revised lease period commenced from 01 February 2008 to 31 May 2011.

19. Financial instruments

In the course of the SETA's operations it is exposed to interest rate, credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of Treasury Regulations (TR) 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Interest rate risk

The SETA manages its interest rate risk by effectively investing SETA surplus cash in term deposits with different financial institutions according to the SETA's investment policy.

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date are as follows:

	FLOATING RATE		NON-INTEREST BEARING	TOTAL R'000
	AMOUNT R'000	EFFECTIVE INTEREST RATE	AMOUNT R'000	
Year ended 31 March 2011				
Assets				
Cash	131,249	6%		131,249
Trade and other receivable	-		3,680	3,680
Total financial asset	131,249	6%	3,680	134,929
Liabilities				
Trade and other payable	-		33,481	33,481
Total financial liabilities	-		33,481	33,481
Year ended 31 March 2010				
Total financial asset	190,151	6%	2,418	192,569
Total financial liabilities	-	11%	(29,098)	(29,098)
	190,151		(26,680)	(163,471)

The Seta limits its counter-party exposure by only dealing with well established financial institutions approved by National Treasury. The Seta's exposure is continuously monitored by the Accounting Authority. Credit risk in respect of South African Revenue Services (SARS) is limited as it is a government entity of sound reputation.

Credit Risk With Respect to Levy Paying Employers

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The Seta's concentration's of credit risk is limited to the Safety and Security sector in which it operates. No events occurred in the Safety and Security industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for. The Seta is exposed to a limited concentration of credit risk, as significant amounts are owed by SARS. This concentration of risk is limited, as SARS is a government entity with a good reputation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

19. Financial Instruments (continued)

Liquidity risk (continued)

The ageing of other receivables from exchange transactions:

	2010/11 R'000		2009/10 R'000	
	GROSS	IMPAIRMENT	GROSS	IMPAIRMENT
0 – 30 days	624	-	542	-
31 – 90 days	1,007	-	21	-

The Seta managed to limit its Treasury counter-party exposure by only dealing with well established financial institutions approved by National Treasury through the approval of our investment policy in terms of Treasury Regulations. The Seta's exposure is continuously monitored by the Finance Committee.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The Seta does not any material exposure to any individual or counter-party. The Seta's concentration of credit risk is limited to the industry (Safety and Security and related industries) in which the Seta operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivables that has not been adequately provided for.

Liquidity risk

The Seta manages liquidity risk through proper management of working capital and capital expenditure

2010/11	CARRYING AMOUNT R'000	6 MONTHS OR LESS R'000	6 – 12 MONTHS R'000	MORE THAN 2 YEARS
Trade and other payable from non-exchange transactions				
Skills development grants payable - mandatory	19,365	19,365	-	-
Exempt employers	3,498	3,498	-	-
Discretionary grant payable	6,214	6,214	-	-
Trade and other payable from exchange transactions				
Income received in advance	76	76	-	-
Sundry payables	1,369	1,369	-	-
Service provider fees outstanding	2,959	2,959	-	-

2009/10	CARRYING AMOUNT	6 MONTHS OR LESS	6 – 12 MONTHS	MORE THAN 2 YEARS
Trade and other payable from non-exchange transactions				
Skills development grants payable - mandatory	15,156	15,156	-	-
Exempt Employers	3,362	3,362	-	-
Discretionary grant payable	6,211	6,211	-	-
Trade and other payable from exchange transactions				
Income received in advance	579	579	-	-
Leave accruals	-	-	-	-
Sundry payables	2,077	2,077	-	-
Service provider fees outstanding	1,713	1,713	-	-

Credit risk

Financial assets which potentially subject SASSETA to the risk of non performance by counter parties and thereby subject the SETA to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

SASSETA manages its investment with institutions that have a grade rating and it is in line with its investment policy.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party.

Liquidity risk

The SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows. Adequate reserves and liquid resources are also maintained.

Market risk

The SETA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates.

Fair values

The SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of its fair value.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Trade and other receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

Trade and other payable

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

	2010/11 R'000	2009/10 R'000
20. Irregular expenditure		
Opening Balance	-	-
Add: Irregular expenditure – Current Year	981	6,508
Less: Amounts condoned	-	(6,508)
Amount Included in Trade and Other Receivables	981	-

Details of Irregular Expenditure

Incident	Condoned by		
Included in the Project Expenses are payments relating to a service provider that was improperly accredited. This accreditation was subsequently revoked by the Board. Board is intending to pursue the recovery of the paid amounts. The matter is under appeal.	Accounting Authority (Board)	-	6,508

21. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure – Current Year	-	40
	-	40

Details of Fruitless and Wasteful Expenditure

Incident	Steps taken		
Vat was paid to a non-vat registered vendor	A criminal case was opened with SAPS and the matter is under investigation.	-	40

22. World Cup expenditure

	QUANTITY	2010/11 R'000	2009/10 R'000
Purchase of other world cup apparel – T-shirts	128	80	-
		80	-

The above expenditure was reflected as expenditure incurred after year-end in the previous year's Annual Financial Statements.

23. Comparison of Budget and Actual Amounts for SASSETA for the Year ended 31 March 2011 – Budget on Cash Basis

Note: The Budget and the accounting basis are different. This Statement of Comparison of Budget and Actual Amounts are prepared on the budget basis.

	APPROVED R'000	FINAL R'000	ACTUAL AMOUNTS ON COMPARABLE BASIS R'000	DIFFERENCE: FINAL BUDGET AND ACTUAL R'000
Revenue				
Non-exchange Revenue				
Skills Development Levy: Income	215,525	215,525	192,884	22,641
Skills Development Levy: Penalties and Interest	-	-	1,571	(1,571)
Exchange Revenue				
Investment Income	22,260	22,260	8,263	13,997
Other Income	3,710	3,710	2,127	1,584
Total Revenue	241,495	241,495	204,845	36,651
Expenses				
Employer Grants and Project Expenses	(200,964)	(200,964)	(201,835)	871
Administration Expenses	(67,245)	(67,245)	(66,287)	(958)
Total expenses	(268,209)	(268,209)	(268,122)	(87)
Net Surplus/ (deficit)	(26,713)	(26,713)	(63,277)	36,564

(SASSETA presents its approved budget on a cash basis and the financial statements on the accrual basis).

23.1 The budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 April 2010 to 31 March 2011.

23.2 The under-recovery of actual Skills Development Levy: Income over the final budget of 10.8% was due to recession experienced by levy contributors within the industry, with the effect that their salary bills shrunk and as well some companies closed down. The under-recovery of actual Investment Income over the final budget of 62.9% was due to lower income received from levy contributors, resulting in lower cash reserves and as well the reserves were reduced by higher payment rate of employer grants and project expenditure. There were no other material differences between the final budget and the actual amounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

- 23.3 The budget and the accounting bases differ. The financial statements for SASSETA are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis.
- 23.4 The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the financial statements for timing differences associated with continuing appropriation and differences in SASSETA were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified below.
- 23.5 A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows for the Year ended 31 March 2011 is presented below. The financial statements and budget documents are prepared for the same period. There is a bases difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

	OPERATING R'000	FINANCING R'000	INVESTING R'000	TOTAL R'000
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(26,713)	-	-	(26,713)
Basis Differences	(30,485)	(779)	(852)	(32,117)
Timing Differences	-	-	-	-
	(57,198)	(779)	(852)	(58,830)

24. Related party transactions

The executive authority of SASSETA is the Department of Higher Education and Training (DHET). There were no transactions with the DHET.

Transactions with other SETAs:

Interseta transactions arise due to the movement of employers from one SETA to another. No other transaction occurred during the year with other SETAs. There were no interseta balances at year-end

Movements during the year included in levy income:

	2010/11 R'000	2010/09 R'000
Transfers in/(out) during the year		
ISETT	2	-
W&R Seta	26	28
Services Seta	854	189
H&W Seta	-	13
FASSET	76	51
Merseta	-	28
Total	958	309

25. New accounting pronouncements

Various revisions have been made to the statements of GAAP which become effective in future years. None of these revisions will have an impact on the financial statements of the SETA.

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective. These include the following Standards and Interpretations that are applicable to the Seta and may have an impact on future reporting.

		EFFECTIVE DATE, COMMENCING ON OR AFTER
GRAP 21	Impairment of Non-cash-generating Assets	
GRAP 23	Revenue From Non-exchange Transactions	1-Apr-12
GRAP 24	Presentation of Budget Information in the Financial Statements	1-Apr-12
GRAP 25	Employee Benefits	Not yet effective
GRAP 26	Impairment of Cash-generating Assets	1-Apr-12
GRAP 103	Heritage Assets	1-Apr-12
GRAP 104	Financial Instruments	Not yet effective
GRAP 105	Transfer of Functions Between Entities Under Common Control	Not yet effective

An entity shall apply Standards of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91 (1) (b) of the PFMA.

GRAP 21

GRAP 21 - Standard prescribes the accounting and disclosure for impairment of non-cash-generating assets.

Entities are required to annually assess, by considering internal and external factors, whether there is an indication that a non-cash-generating asset may be impaired. If any such indications are triggered, the entity is required to estimate the recoverable service amount of that asset.

GRAP 23

GRAP 23 - Standard prescribes the accounting and disclosure of revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow.

As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised and recognise an amount equal to that reduction.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011 (CONTINUED)

GRAP 24

GRAP 24 - Standard prescribes the presentation of budget information in the financial statements

Entities are appropriated resources through the annual budget process. These resources are granted to entities by Parliament, the legislatures or municipal councils so that entities can execute their mandate. Budgets effectively provide entities with the authority to incur expenditure in order to fulfil the various programmes operated by government. It is often necessary to revise the original budgets during the year for a number of reasons. Entities themselves are also allowed to make certain amendments within the budgetary limits set by Parliament, the various legislatures or municipal councils.

GRAP 25

GRAP 25 - Standard prescribes the accounting and disclosure for employee benefits. The standard requires the entity to recognize:

- a) a liability when an employee has provided services in exchange for employee benefits to be paid in future; and
- b) an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP 26

GRAP 26 - Standard prescribes the accounting and disclosure of impairment of cash-generating assets.

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss through depreciation or amortisation. These losses may arise from physical damage or from internal or external factors such as not regularly performing maintenance or a decline in the asset's market value.

Entities are required to annually assess whether there is an indication that a cash-generating asset may be impaired. If any such indications exist, the entity must estimate the recoverable amount of the relevant asset. Entities must, however, annually compare the carrying amounts of intangible assets with indefinite useful lives or intangible assets not yet available for use with their recoverable amounts.

This impairment test may be performed at any time during the reporting period, but the entity must then perform this test at the same time every year.

GRAP 103

GRAP 103 - Standard prescribes the accounting treatment for heritage assets and related disclosure requirements.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in the recognition, measurement and disclosure of all assets that meet the definition of a heritage asset, except heritage assets classified as held for sale.

GRAP 104

GRAP 104 - Standard establishes principles for recognising, measuring, presenting and disclosing financial instruments.

GRAP 105

GRAP 105 - Standard establishes accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

Transfers of individual or groups of assets and/or liabilities are excluded from the scope of this Standard as these arrangements result in the acquisition or transfer of an asset or a group of assets and/or the assumption or transfer of a liability or a group of liabilities by an entity rather than the transfer of functions. For example, when a national roads agency takes control of a provincial road from various provincial departments from time to time, it is a transfer of individual assets.

Significant reliance was placed on voluntarily contributed government levies which in the absence thereof, will compromise normal day to day running expense and would exceed the legal limit. The government departments have however committed themselves to contribute in the future via service level agreement with SASSETA.

26. Going concern

Significant reliance was placed on voluntarily contributed government levies which in the absence thereof, will compromise normal day to day running expense and would exceed the legal limit. The government departments have however committed themselves to contribute in the future via service level agreement with SASSETA.

27. Subsequent events

There were no subsequent events that came to the attention of management at the time of this report.

GLOSSARY OF TERMS AND ABBREVIATIONS

ABET	Adult basic Education & Training
AFS	Annual Financial Statements
AG	Auditor General
ASGISA	Accelerated Shared Growth Initiative for South Africa
BANK SETA	Bank Sector Education and Training Authority
CETA	Construction Education and Training Authority
CRM	Customer Relationship Management
DCS	Department of Correctional Services
DoL	Department of Labour
ESSA	Employment Services South Africa
ETQA	Education & Training Quality Assurance
FASSET	Financial and Accounting Services
FOODBEV	Food and Beverages Education and Training Authority
GAAP	Generally Accepted Accounting Practices
GRAP	Generally Recognised Accounting Practices
GSO	General Security Officer
H&W	Health and Welfare Education and Training Authority
HSRC	Human Science Research Council
IMC	Integrated Marketing Communications
ISSET SETA	Information Systems, Electronics and Telecommunication Technologies
ISOE	Institute of Sectoral or Occupational Excellence
JIPSA	Joint Implementation Plan for Skills Acquisition
NPA	National Prosecution Authority
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
W&R SETA	Wholesale and Retail Sector Education & Training Authority
UIF	Unemployment Insurance Fund
SSP	Sector Skills Plan
SETA	Sector Education & Training Authority
SERVICES	Services Sector Education & Training Authority
SDLA	Skills Development Levies Act, 1999 (Act No. 9 of 1999)
SDA	Skills Development Act, 1998, (Act No. 7 of 1998)
SASSETA	Safety and Security Sector Education & Training Authority
SARS	South African Revenue Services
SAQA	South African Qualifications Authority
SAPS	South African Police Service
SABC	South African Broadcasting Corporation
PSIRA	Private Security Industry Regulatory Authority
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)



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